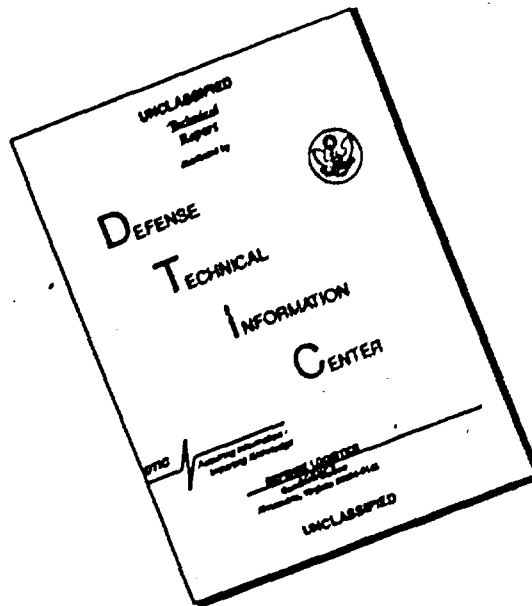


REPORT DOCUMENTATION PAGE

1a. REPORT SECURITY CLASSIFICATION UNCLASSIFIED			1b. RESTRICTIVE MARKINGS NONE		
2a. SECURITY CLASSIFICATION AUTHORITY			3. DISTRIBUTION/AVAILABILITY OF REPORT APPROVED FOR PUBLIC RELEASE; DISTRIBUTION UNLIMITED.		
2b. DECLASSIFICATION/DOWNGRADING SCHEDULE					
4. PERFORMING ORGANIZATION REPORT NUMBER(S)			5. MONITORING ORGANIZATION REPORT NUMBER(S) AFIT/CI/CIA-88-243		
5a. NAME OF PERFORMING ORGANIZATION AFIT STUDENT AT XAVIER UNIVERSITY		6b. OFFICE SYMBOL (if applicable)		7a. NAME OF MONITORING ORGANIZATION AFIT/CIA	
6c. ADDRESS (City, State, and ZIP Code)			7b. ADDRESS (City, State, and ZIP Code) Wright-Patterson AFB OH 45433-6583		
8a. NAME OF FUNDING/SPONSORING ORGANIZATION		8b. OFFICE SYMBOL (if applicable)		9. PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER	
8c. ADDRESS (City, State, and ZIP Code)			10. SOURCE OF FUNDING NUMBERS		
			PROGRAM ELEMENT NO.		PROJECT NO.
			TASK NO.		WORK UNIT ACCESSION NO.
11. TITLE (Include Security Classification) (UNCLASSIFIED) THE SEARCH FOR QUALITY BY MANAGEMENT IN SERVICE-RELATED INDUSTRY TODAY					
12. PERSONAL AUTHOR(S) BARBARA B. UNDERWOOD					
13a. TYPE OF REPORT THESIS/DISSEMINATION		13b. TIME COVERED FROM _____ TO _____		14. DATE OF REPORT (Year, Month, Day) 1988	
				15. PAGE COUNT 363	
16. SUPPLEMENTARY NOTATION APPROVED FOR PUBLIC RELEASE IAW AFR 190-1 ERNEST A. HAYGOOD, 1st Lt, USAF Executive Officer, Civilian Institution Programs					
17. COSATI CODES			18. SUBJECT TERMS (Continue on reverse if necessary and identify by block number)		
FIELD	GROUP	SUB-GROUP			
19. ABSTRACT (Continue on reverse if necessary and identify by block number)					
<div style="text-align: center;">DTIC ELECTE S FEB 01 1990 D D 90 02 01 044</div>					
20. DISTRIBUTION/AVAILABILITY OF ABSTRACT <input checked="" type="checkbox"/> UNCLASSIFIED/UNLIMITED <input type="checkbox"/> SAME AS RPT. <input type="checkbox"/> DTIC USERS			21. ABSTRACT SECURITY CLASSIFICATION UNCLASSIFIED		
22a. NAME OF RESPONSIBLE INDIVIDUAL ERNEST A. HAYGOOD, 1st Lt, USAF			22b. TELEPHONE (Include Area Code) (513) 255-2259		22c. OFFICE SYMBOL AFIT/CI

DISCLAIMER NOTICE



THIS DOCUMENT IS BEST QUALITY AVAILABLE. THE COPY FURNISHED TO DTIC CONTAINED A SIGNIFICANT NUMBER OF PAGES WHICH DO NOT REPRODUCE LEGIBLY.

FROM: CIMI

12 Jan 89


SUBJECT: Thesis Transmittal ~ Major Barbara Underwood

TO: NR

1. The attached thesis entitled "The Search for Quality by Management in Service-Related Industry Today" by Major Barbara Underwood, is forwarded for your review and action. I would recommend the following individual as reviewer:

Lt Col David J. Baker, USAF, MSC
HQ USAF/SGA
Bolling AFB DC 20332

2. Thank you for your assistance.


ROGER S. GOETZ, Capt, USAF, MSC
Program Mgr, Health Care Education Div
Civilian Institution Programs

1 Atch
Thesis

Accession For	
NTIS CRA&I	<input checked="" type="checkbox"/>
DTIC TAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By	
Distribution /	
Availability Codes	
Dist	Avail and/or Special
A-1	



XAVIER UNIVERSITY
GRADUATE PROGRAM IN HOSPITAL
AND HEALTH ADMINISTRATION

MASTER'S THESIS:

THE SEARCH FOR QUALITY BY MANAGEMENT
IN SERVICE-RELATED INDUSTRY TODAY

BARBARA B. UNDERWOOD

5 SEPTEMBER 1988

TABLE OF CONTENTS

CHAPTER 1 - INTRODUCTION	1
CHAPTER 2 - REVIEW OF LITERATURE	5
CHAPTER 3 - STOUFFER DAYTON PLAZA HOTEL.	13
CHAPTER 4 - MERRELL DOW PHARMACEUTICALS INC.	36
CHAPTER 5 - GOOD SAMARITAN HOSPITAL AND HEALTH CENTER.	75
CHAPTER 6 - CONCLUSIONS.	100
CHAPTER 7 - RECOMMENDATIONS.	105
ABSTRACT	107
APPENDIX A - METHODOLOGY DOCUMENTS	
APPENDIX B - SELECTED ANNOTATED BIBLIOGRAPHY	
APPENDIX C - STOUFFER DAYTON PLAZA HOTEL DOCUMENTS	
APPENDIX D - MERRELL DOW PHARMACEUTICALS INC. DOCUMENTS	
APPENDIX E - GOOD SAMARITAN HOSPITAL AND HEALTH CENTER DOCUMENTS	

CHAPTER 1
INTRODUCTION

INTRODUCTION

Productivity, cost-containment and quality are the buzzwords of the 80s. As the decade progressed industry found that a sophisticated consumer and increased competition, both foreign and domestic, has necessitated an increased emphasis upon quality. Manufacturing industries have been well aware of the importance of quality for some time, precipitated by the increased foreign competition. The widespread emphasis upon quality in other sectors of the economy has occurred only recently.

This paper will deal with the emphasis upon quality by management in service-related industries today. Three service-related industries were selected to study and compare: hospitality, pharmaceutical, and healthcare. The hospitality industry was identified due to the dependence upon the consumer. If the customer does not perceive that he is receiving a quality service/product then he will not return; the increased competition has given him a choice. The pharmaceutical industry was selected because of the emphasis upon quality in prescription drugs. This emphasis is driven as a result of not only regulatory requirements, but a social obligation. The healthcare industry was chosen due to the need for quality, the increased competition, and the threat of increased regulation.

Each of the above industries are in different stages of an emphasis on quality. The hospitality industry only recently has had to be concerned about the 'quality' of the product offered. In the past the consumer was at their mercy because they were the only game in town. Now, with the increased discretionary income and leisure time, contrasted by the reduced corporate travel expense accounts, hotels and motels have had to become more competitive. The pharmaceutical industry has essentially had the emphasis on quality legislated upon them, so their renewed emphasis is a result of the belief that quality is truly a method of differentiation. The healthcare industry has always been assumed to provide a quality product. Due to the increased healthcare expenditures the industry is now being examined with a microscope by payers in an effort to reduce costs. As a result, and due to the increased competition, the healthcare industry is looking at the quality of the services provided, seeking to avoid more regulation and to increase both market share and margin.

METHODOLOGY

One company for each of the above categories was selected as an example to study. Each company was studied for two consecutive months. Initially each company was given the mission statement of the residency and the methodology by which the mission would be

accomplished (Appendix A). Each two month rotation reflected not only what the resident wanted to achieve, but the direction the company chose (Appendix C, D, and E). Unstructured interviews were used extensively, formal briefings were conducted and documents reviewed. In order to be more objective in the evaluation, the notes from each rotation were not reviewed until well into the third rotation. This allowed the researcher to focus more intensely on the experience with each individual company, to 'feel' the environment and what were the real agendas of the company.

In addition to the case studies of each of the companies, an extensive review of literature was accomplished (Appendix B). The depth of the literature search was necessary in order to fully understand the diverse backgrounds of the individuals and companies being studied. The literature search focused on two areas: quality in management theory and quality assurance. Both books and journals were reviewed.

The format of the case study is the same for each company: a brief history of the organization, the past and present environment, a review of those areas identified in the original methodology, and observations of the researcher. Each case study also includes a discussion of the good aspects of the organization and areas of concern.

CONCLUSION

Following the case studies the three companies/industries are reviewed and compared. It is really interesting to note the similarities and dissimilarities of these three very diverse organizations in three very different environments.

It is difficult to conclude a thesis without making specific recommendations, and this report will not deviate from that practice. Although this study was brief, based on my observations and analysis, I believe that I have valid conclusions that are applicable not only to the studied industries/organization but others as well. 'The more things change, the more they are the same.'¹ A truism perhaps, but one that my thesis affirms.

¹ Alphonse Karr, Les Guepes, January 1849, vi.

CHAPTER 2
REVIEW OF LITERATURE

INTRODUCTION

Quality is not only a health care concern, industry has been struggling with quality control and the need for increased productivity throughout the twentieth century. Although there are many dissimilarities between quality assurance in health care and quality control in industry, the problems inherent in the conceptualizing and effective implementation of these programs appear to be relatively similar.

Historically concerns with quality were relegated to the quality assurance department (or nursing) in hospitals or to the quality control inspectors in industry. Only in the past decade in the United States has there been an increase in the number of departments that were felt to have an impact upon quality. This literature review focuses upon not only what hospitals have been doing in the area of quality assurance, but what service industry has been doing in the area of quality control. In addition, books and articles were reviewed which had an emphasis on management's focus on quality in both the health care and service industries. Although technically probably not considered literature, audio and video cassettes on the subject of quality/management were also included in the review.

QUALITY ASSURANCE

Although quality of care has always been a concern of the health care industry, its importance has been magnified by an increased emphasis by the Joint Commission on Accreditation of Healthcare Organizations, and public outcry as a result of perceived diminution of quality of care resulting from various cost containment programs. As a result, the literature abounds. This is a review of the literature that has been written, not only recent endeavors, but classic tomes.

The books and articles reviewed vary in scope, topics included: research into patient behavior, quality medical records, different methods of assessing quality, the integration of quality assurance and risk management, multi-hospital systems, ambulatory care, and theoretical abstractions. The importance of this scope of review is to gain an historical and in-depth perspective of the state of quality assurance/risk management and the ultimate goal: quality health care.

Implications:

In a little over a decade the books on the topic of quality assurance have undergone a transition from 'what-is' quality assurance and 'how-to' establish programs, to an awareness that quality assurance is more than simply one more program required by a reviewing or

payer agency. Quality assurance, or perhaps more aptly stated "quality", has become a key concern to the top management in health care organizations today.

Unfortunately, some of this impetus for quality today, by management appears to be based primarily upon the concern that third party payers are becoming more vigilant about insuring that they are getting a good value. Although some might argue that any attention is good, regardless of the motive, attention on quality based upon trying to cut costs may have serious consequences. Not only will the medical staff and employees resist the quality assurance program, patients and payers will be suspicious of a program that has as part of its goals cost containment. As both the management and quality literature indicates, an emphasis on quality will have the desired effect of cost reduction simply by focusing on quality.

Although the literature covers many topics, there is one area that is almost blatantly avoided. No one seems to want to touch the topic of how to get the medical staff to buy into quality assurance. The books/articles emphasize the necessity of getting a commitment from top management and the medical staff but spend the majority of the time on top management. Without a commitment from the medical staff, quality assurance will be diseased, with the prescription written by non-medical staff personnel, most probably the federal government.

QUALITY/MANAGEMENT

From Crosby, Peters and Waterman to Deming, Feigenbaum, and Juran, it is interesting to note that the theme in the management literature is a focus on the need for top management to become committed to quality. Once there is a commitment to quality, the other pieces, cost and productivity, fall into place. (At least according to the literature.) Prevention is a theme, not just inspection. Companies have found that 'it costs less to do it right the first time,' rather than to spend money trying to fix the problem. In addition, the focus seems to be on the customer. You need to determine what the customer wants, and deliver it to him. Unmet expectations are devastating to the customer's perceptions of quality.

The quality/management literature reviewed ranged from classic textbooks to modern fables. Topics included quality management, characteristics of excellent companies, characteristics of successful leaders, hassle-free management, total quality control, quality circles in service industries, and the increased emphasis on service (in non-service industries). The audio and video cassettes reviewed had a 'how-to' orientation. The topics were similar to those above.

This extensive review was necessary in order to understand the business environment -- past, present and future.

Implications:

It was surprising to see how similar the themes were in the literature. The common thread was a need for attention to quality, to service, to the individual. Businesses should become less rigid, less bureaucratic, with a less complex hierarchy. In addition, industry must adopt systems that allow for continuous improvement. Examples would be customer/employee surveys which provide a feedback mechanism. These are not short-term quick fixes. In many cases the models being advocated require a large investment of time and money. And above all, a commitment from top management.

Although there are many critics of Peters and Waterman, most of the criticism seems to revolve around the failures of some of the companies they reviewed. In reviewing the literature their concepts are not new. The lesson seems to be that business really needs to become very sensitive to changes in the environment, and responsive. This is why the themes of an emphasis on quality, service, and listening to the customer have become so attractive, and successful.

The biggest concern with the quality/management literature is that it all sounds too easy, too good to

be true. This is even more so in the audio and video cassettes. Everyone is a guru, and in order to be successful a business must buy into the total program. It is easy to see how businesses could become disenchanted because their company doesn't achieve everything that the guru promised. Like anything else, if it looks too easy, and too good to be true, it probably is. What businesses must realize is that each business is different, and even parts of their business may be different. One program may not solve all the problems, or allow for the desired continuous improvement. Although more difficult, businesses need to be more discriminating and cull through the gurus, and their programs, adopting those aspects that apply to their business and rejecting the others.

CONCLUSION

The health care system has been focusing on a retrospective view of quality assurance. The emphasis also has been on cost at the expense of quality. Health care management still has the opinion that quality assurance costs money, and doesn't want to spend money on a non-revenue generating area. According to management literature, the health care industry has the cart before the horse. The only way health care is going to make money in the long run is if quality is ensured.

When the management literature concerning customers is applied to the health care system and patients it seems to be saying is that if you give the customer what it wants: timely appointments, courtesy, respect, thorough explanation of the diagnosis, an explanation of the process that will be undertaken, an explanation about some of the constraints under which the physician (etc.) is operating, then the customer/patient will be more likely to accept the service rendered as a quality service. It is when the customer/ patient's expectations are not met, in many cases due to the provider promising more than could be delivered, that the customer/patient's perception of quality is diminished. We must learn what the

customer/patient wants, educate the customer/patient to what can be delivered, and not promise more than can be achieved.

Along the same lines, quality may be delivered at various costs. If the public is not willing to bear the cost of the highest quality of health care than we must find what level of quality health care they are will to pay for. At this time Americans believe that health care is a right, not a privilege. They also believe that everyone is entitled to the same level of health care. In other countries there are two levels of health care: the quality of health care provided by the state, and the health care that the individual must pay for himself. Americans probably are not willing to accept that system; it goes against our beliefs that 'all men are created equal, entitled to life, liberty and the pursuit of happiness.'

Although management literature only very sporadically mentions the health care industry, more and more health care literature seems to be referring to management concepts. Hospital Corporation of America even plans to study the manufacturing industry to determine what quality control concepts can be applied to health care! The health care industry is no longer considered exempt from the rules that apply to the business community. And if we're going to be playing by their rules, we'd better learn how to play the game if we're going to survive.

CHAPTER 3

STOUFFER DAYTON PLAZA HOTEL

INTRODUCTION

Stouffer Dayton Plaza Hotel was selected as a representative of the hospitality industry because it is a relatively small hotel with a reputation for high quality. Due to my relative lack of knowledge of the industry it was felt that a small hotel would be easier to study. All the items referenced in this chapter are contained in Appendix C.

Prior to my arrival at Stouffer's the Executive Committee met and arranged a tentative schedule so that I would be exposed to all areas of the hotel, and all shifts. The residency was very flexible, the schedule (C,1-2) reflects the actual rotations. As might be expected in the hospitality industry, I was made to feel very welcome. I was given the opportunity to observe and interview wage and salaried employees, executive and middle managers, and supervisors. In addition, while I was at Stouffer's the annual General Managers' Conference was held at the Dayton Plaza so I was able to talk with employees from the headquarters. The following analysis is based upon my observations during January-February 1988.

HISTORY AND ENVIRONMENT

Stouffer Dayton Plaza Hotel is located in Dayton, Ohio, a city with a population of approximately 200,000. Major employers in this area include General Motors, Dayco, Mead, NCR, and the Air Force. Wright State University and the University of Dayton are also located in the Dayton area. Stouffer's is situated in downtown Dayton; the major access is via Interstate 75.

Stouffer Dayton Plaza Hotel was built in 1976. At the time it was the only luxury hotel in the area and was located across the street from the Dayton Convention Center. In addition to having many convention guests and functions, the hotel enjoyed a substantial market share of business travelers, government employees and contractors. The Marriott Hotel was built in 1981. As might be expected, by 1988 the area has many additional hotels and now has an over supply of hotel beds.

Although increased competition has affected Stouffer's, there were two other events that occurred in the 1986-1988 time frame that probably had a more deleterious impact. In 1986 the Government Accounting Office published a study that indicated contractors were billing the government excessively for business trips related to their contracts. As a result, contractors were only allowed to bill the government the same amount that the government employees were allowed to spend on

business trips. If the contractor wanted his employees to stay at a more expensive hotel, or have more expense money, the contractor would have to pay the difference. The effect on Stouffer's was either to accept the government per diem, or potentially lose the business.

The second event that adversely affected Stouffer's was the renovation of the Dayton Convention Center. The renovation took longer than forecast, resulting in a loss of business due to many conventions choosing to go elsewhere. This in turn resulted in a loss of business by Stouffer's.

Stouffer Dayton Plaza Hotel is owned by Stouffer Hotel and Resorts, a subsidiary of the Nestle Alimentana S.A., a world-wide conglomerate, devoted to all aspects of the food industry and based in Vevey, Switzerland. The Stouffer's headquarters is located in Solon, Ohio; the president is William N. Hulett. Stouffer Dayton Plaza Hotel is one of 31 hotels and resorts, the corporate goal is to expand to 50 hotels and resorts by 1990. Most of the newer hotels are located near airports or in resort locations. The Dayton Plaza is one of the smaller properties with fewer than 300 rooms. Although Stouffer hotels generally are not located downtown, in Dayton the Stouffer hotel has the advantage of being the only full-service hotel in the downtown area.

Stouffer Dayton Plaza Hotel operated at a loss in 1987. The general manager retired at the end of 1987, opening the way for a new general manager to turn the Dayton Plaza Hotel around in 1988. In January 1988 the Dayton Plaza Hotel's renovation was completed, allowing it to be the host for the Stouffer Hotel and Resorts General Manager Conference.

ORGANIZATION REVIEW

MISSION:

The Dayton Plaza Hotel did not have a written mission statement other than the corporate mission statement (C,3). The statement references the desire to own and operate quality hotels, to provide value to guests through consistent service and expertise, and to provide a fair return on their investment. Although the mission statement does not seem to stress the importance of the guest, the employee handbook does address this aspect (C19). Based on interviews with various employees when queried as to the mission of the hotel, service and profit were considered the prime motivation.

ORGANIZATION:

The organization chart from 1987 (C,4) and from 1988 (C,5) were both included in this review. Simply

based on the actual appearance of the chart, the 1987 chart seems to be more horizontal and flatter than the 1988 chart. Practically speaking this may not be the case. What did occur in 1988 is a reduction in the number of salaried employees as reflected in the organization chart, and a reorganization of several departments. A new position, Director of Sales and Marketing was established, adding another layer of management to that department. On the rooms side of the organization, the senior assistant manager became responsible for both engineering and security after the resignation of the chief engineer.

There had been a significant turnover (over 50%) in the salaried staff during the past year, so it was difficult to determine exactly what was the status of the organization structure. Especially since the new general manager had been there less than a month when I began. The senior assistant manager had one of the longest tenures at the hotel, along with the house-keeping manager (approximately 10 years). The food and beverage manager, catering manager, and controller had all been there less than three years. The director of sales and marketing, the banquet service manager, the two catering sales managers, and the director of personnel had all been there less than a year (most less

than six months). Although the hospitality industry is transitory in nature, this turnover in key positions appears to be higher than normal.

COMMITTEE STRUCTURE:

The Stouffer Dayton Plaza Hotel does not have many standing committees. The Executive Committee meets on a weekly basis and is composed of the general manager, senior assistant manager, personnel manager, food and beverage manager, director of sales and marketing, and the controller. This is basically a key staff meeting, allowing a means of communication between the general manager and the senior managers. A bi-monthly staff meeting offers a similar opportunity for communication and includes all salaried employees. The different sections report key statistics at this meeting, and the general manager is given the opportunity to convey his message to the direct reports of his senior managers.

The third standing meeting at Stouffer's is the quarterly team meeting. This is a meeting for all employees. The general manager gives a pep talk, employees are recognized for their achievements, and pay checks are handed out at the end of the meeting. As with many employee meetings, attendance is not mandatory and therefore not very good.

Although not standing hotel-wide committee meetings there are other systematic meetings within the hotel. Every morning at 8:00 there is a meeting to go over business figures and forecasts. This includes the senior assistant manager, marketing, and reservations. There is also a weekly meeting between marketing and catering to assure that operations are working smoothly. Department meetings and meetings between departments are held on an as needed basis. In November 1987, based on a concern about the high turnover, and low morale of salaried employees, a quality of life committee was established. Perhaps because of lack of guidance the committee became a gripe forum. While I was at Stouffer's the committee was no longer functioning.

EMPLOYEE APPRAISAL SYSTEM:

Employees are evaluated on an annual basis for wage grade and a semi-annual basis for salary employees. There are separate forms for wage (C,8) and salary (C,12) employees. The system for wage employees is objective in that it ties the job description to the elements upon which the employee is being appraised. It also gives a good opportunity for communication and employee development.

The salary appraisal is conducted every six months. In addition to being an appraisal of performance, incentive bonuses are tied to the appraisal. Section A

(C,12) evaluates the job responsibility description to determine whether it is being accomplished, and an assessment of the work performed. There do not appear to be any specific objective elements upon which the individual is being assessed. Section B (C,13) is an evaluation of management performance. This is tied basically to performance behaviors and therefore is somewhat subjective. Section C (C,14) is an evaluation of whether the employee meets the objectives that he/she set for the rating period. This is the most objective area of the appraisal, and fortunately carries more weight than the other sections individually. The importance of this evaluation can not be underestimated since it is forwarded to the Corporate Human Resources Department.

Although both appraisals do allow for communication between the employee and his/her supervisor, the wage appraisal is clearly the more objective form, and less subject to discrimination. It is difficult to set objective standards for management employees, but it is necessary.

INCENTIVE/REWARD SYSTEM:

In addition to the incentive bonus referenced above for salary employees, Stouffer's has various other methods for recognizing employees and rewarding them (C,20-22). In addition to the employee of the month

award, there are awards for anniversaries and length of service. One of the most important awards is the Vernon Stouffer Award. Each hotel selects the one employee (wage or salary) who best exemplifies dedication to the guest and the community. The corporate office then selects the winner who receives a \$500 award and a two-week trip (C,34-35).

Employee benefits in addition to health insurance include complimentary rooms, a discount on food and beverage, health club membership, parking, laundry and dry cleaning services, and one meal per work day. Eligibility for some of the various benefits is dependent upon job classification and length of service. Other motivational tools are the annual Christmas party and picnic.

One item that is not a part of the incentive system for wage employees is compensation. This is based strictly on length of service and job classification. Annually a wage survey is conducted to determine whether Stouffer's wage scale is competitive with other similar employers. Although Stouffer's policy is to pay top dollar in the area for each job category, after three years of employment in a particular job classification the employee reaches the top of the pay scale. The only pay increase the employee will receive after that point is the annual wage re-valuation, if there is one.

QUALITY CONTROL METHODS:

The quality control methods utilized by Stouffer's are quite limited and basic. Inspection is the most widely used technique, and generally involves supervisors checking their employees work, and correcting discrepancies. One form that was actively used was in the sales department (C,23). This form tracked the business that the sales manager was generating and allowed the directors of the department to keep closer track of what the employee was doing. This was also tied directly into the objectives upon which the employee was being appraised.

Training is quite limited. In most areas the senior employee on the shift is given the responsibility for training a new employee. There are very few checklists, training generally involves simply following the trainer and observation. Although the hotel does have a few training films, these are rarely used, nor are the volumes of operating guidelines generated by the corporate office. In addition to the lack of training for the wage employee, training for the managers is almost nonexistent. The exception to this is corporate meetings that are held for the major department heads annually.

Although training on the techniques of doing the job is quite limited, over the past two years the corporate office has gotten very involved in training

employees to provide good 'service'. In 1986 the 'Feelings' program was conducted at selected hotels, including the Stouffer Dayton Plaza. The program, a series of group sessions with a group leader, video vignettes, work books and discussions, encompassed training employees to treat everyone as an individual, not a 'thing'. Topics included: feeling good about yourself, value the quality of your work, doing more than the minimum for others, the language of positive stroking, and the art of making customers happy. The feedback from the wage employees was positive. The program was full of gimmicks, and senior employees and managers felt it was demeaning. After the training was completed and the program had been in place for about 3 months it was discontinued. The corporate office had found another program, 'The Spirit of Hospitality' (C,27), it liked better. Although the videos and other materials had arrived, the new program had still not been initiated while I was there.

Although quality control methods within the hotel were limited in nature and scope, Stouffer's did maintain mechanisms to monitor the guest/customer. The sales department mailed an evaluation form (C,24) to individuals/groups that held a function at the hotel. In each hotel room there was a questionnaire (C,25) for

the guest to return, evaluating various aspects of their stay. Both these forms are evaluated by the respective areas, and corrective action taken if necessary.

COMMUNICATION SYSTEM:

In addition to the committee system detailed above, Stouffer Dayton Plaza Hotel follows a fairly structured chain of command communication system. The general manager uses written memos to communicate with his senior managers.

The employee handbook (C,16-19) is given to all employees and is used as a method to communicate the basic rules and philosophy of the Stouffer Dayton Plaza Hotel. A one-day orientation is conducted by the personnel department and offers another means of communicating to new employees.

An employee newsletter (C,27-28) is printed monthly and distributed with paychecks on the last Friday of the month. The newsletter provides not only information about the hotel, but acts as an education tool, and as a means of recognizing employees.

Quarterly, Impressions magazine (C,29-38) is published by the corporate office in Solon, Ohio. This magazine recognizes achievements by individuals throughout the organization, in addition to providing news about what the corporate office and other hotels are doing.

DISCUSSION OF OBSERVATIONS

QUALITY MONITORS:

I was very disappointed with my observations of the way in which Stouffer's monitored the quality of the service it provided. Because I was allowed to talk with all employees and observe areas that normally would not be accessible, perhaps I saw too much. Another disadvantage was that business overall was slow because of the time of year. But nonetheless, there were few monitors of quality, especially within the hotel as the service was being delivered. The monitors were typically retrospective, as described above under quality control methods, too late to remedy the problem for that particular guest.

The managers had an inherent difficulty in developing monitors for their departments due to their lack of training and lack of time. A consequence of the reduction in labor costs was that many managers were working the front line, not supervising operations. Although the wage employees may have felt some concern because of their reduced working hours, there was considerably more tension among the senior staff, whose

very jobs might be at stake. With this type of tension, quality monitors took a back seat to concerns over meeting projected budgets.

Another problem in developing quality control methods is due to the lack of standardized training methods. Since the trainer of each new employee in a department was not necessarily the same person, the technique utilized in doing the job might not be the same. The reduction in management staff increased the span of control of individuals, but again their lack of training was detrimental to their ability to succeed.

QUALITY EMPHASIS:

The Stouffer literature contains a lot of rhetoric about the importance of providing quality service, and the importance of the guest. Although there were exceptions, what I generally observed was wage employees attempting to provide quality service, while management struggled with the bottom line. In my discussions with various employees, I definitely got the impression that they felt that the mission of Stouffer's was to provide the best possible service to the guest. Although most employees acknowledged the importance of making a profit, they did not feel that it conflicted with providing quality service.

Although senior management may talk about quality, the lack of effective monitors hinders their ability to

really motivate the employees to deliver the quality service that is the hallmark of the organization. If senior management doesn't do more than talk about quality and service, soon the employees will observe this lack of commitment.

This lack of commitment was one of the major complaints about the 'Feelings' program. Most of the wage employees I spoke with liked the program, what they didn't appreciate was the lack of commitment by management. They objected to management simply ending the program essentially without explanation. Another bone of contention was that the program talked about treating people like individuals, the employees didn't feel that management was practicing what it was preaching.

RELATIONSHIP OF QUALITY, COST AND PRODUCTIVITY:

During my period of observation there was a definite emphasis on cost and productivity over quality, with the exception of the period of the general managers conference. Employee hours were reduced, and key employees were not replaced. In one case, the decision was made to eliminate the daytime security guard, despite the potential impact on guest and employee safety. Another instance of a reduction in service was the advisement by the general manager to the staff not to publicize limousine service. If requested, and a

driver was available. it would be provided, but it should not be advertised. This is in definite conflict with all the literature that Stouffer's generates, and demonstrates the seriousness of the situation the Dayton Plaza Hotel was facing at that time.

One serious problem that I observed involved the purchase of supplies. During this period the general manager required all purchase orders to be signed by him, no matter how small the amount. Although perhaps it was necessary to control costs, it had a definite impact on the speed with which purchases were made, and consequently had a potential adverse impact on the quality of the service provided.

Employee complaints were generally not directed at the low number of hours and resulting paycheck, but more to a lack of training, effective supervision and inadequate resources to do the job. In essence, although they believed that Stouffer's stood for quality service, they individually didn't feel that they were being given the resources to provide that service.

MOTIVATION TECHNIQUES:

Despite the reduction in some employees' hours, and the increase in working hours of salaried employees to make up for this, an effort was being made to motivate employees. A very energetic personnel manager had been hired with a lot of new ideas on how to "service" the

employees. The general manager held a team meeting to introduce himself prior to the Stouffer General Manager's Conference (one month after he had arrived). In addition, at staff meetings he stressed the importance of the front-line employees to the success of the hotel.

The new personnel director also indicated that he intended to get more involved in the training of both wage employees and managers. He felt that communication with the employees, treating them as individuals, and giving them the tools to do their jobs better would be the most positive motivational techniques he could use at this time.

Although there was a definite problem in motivation at the time I was there, it mainly stemmed from a lack of communication. Too many people, both wage and salary, felt that they didn't know what was going on in the hotel from one day to the next. This concern was not only for day to day operations, but for longer range plans. Individuals also felt that there was really no forum available for their concerns.

The apparent lack of promotion potential was another problem surfaced during this period. Although Stouffer's stresses promotion from within, promotions seemed not only to be from outside the local hotel, but from outside the Stouffer's chain. This obviously had an adverse impact upon individuals who were being asked

to work very long hours. Promotion from within is an effective motivation tool, but only if management follows through on the commitment.

RECOMMENDATIONS

Prior to making recommendations I do want to state that I found most of the employees and managers to be very committed to providing 'Stouffer' service. Despite long hours and low wages they really seemed to be inspired by their work. The employees felt that the benefits were good, and the working conditions were better than most sectors of the hospitality industry. This belief came not only from novices, but individuals who had worked in other prestigious hotel chains.

Based upon my brief residency at the Stouffer Dayton Plaza Hotel I would make the following recommendations for actions that should be taken to improve the quality of the service provided, and the quality of life for the employees providing the service. These recommendations are not in order of importance and are not all-inclusive.

MISSION:

Although the employees seem to recognize that at least part of the mission of the Stouffer Dayton Plaza Hotel

is to provide quality service, it is not explicitly stated anywhere, and should be. Even the corporate mission is not widely publicized. In addition to a mission statement specifically for the Dayton Plaza Hotel, a statement of core values would be beneficial. Whereas the mission statement could be devised by the executive committee, it would be preferable that the value statement be written by a task force of wage and salary employees. This statement of values would help bring the organization together, to get the separate individuals and departments to realize what the common goals and guidelines are, and cooperate to achieve them.

TRAINING:

More in depth training is an absolute necessity, both to insure quality service and to motivate the employees. Although it would be preferable if each department designated a specific trainer, this may not be practical. A training manual for each department should be written, and specific time tables for achieving certain levels of expertise. One thought would be to have the employees who are actually doing the job help to draft the manual. These are the people who are actually doing the job, and know what needs to be taught in order to satisfy the job requirements. This would also involve the employees more in the training program so that they have a vested interest in its

success. By involving the employees more, and showing that management feels that they have valuable input, the end result will be far greater than simply having well trained employees.

MANAGEMENT TRAINING:

Management training is another area that is sadly neglected. Most of the managers at Stouffer's have worked up through the ranks and are good employees. Unfortunately they haven't been given the tools to be good managers. Management training is expensive, but less expensive than the loss of good employees and the failure of potentially good managers. One source of management training would be to look at the available resources within the organization. Perhaps there are individuals who have the necessary expertise and could design a training program to be accomplished on a periodic, long-term basis. Other avenues are local professional organizations, materials from national professional organizations, and local colleges. The resources are there, senior management must be committed to making those resources available.

EMPLOYEE SURVEY:

Although I talked with many people in the organization and got a good feel for the climate, I believe that an employee survey of needs and attitudes is essential.

Rather than go off half-cocked into a new program to improve morale etc., it would be better to wait and find out what really is important to the people and design a program to meet those needs. My recommendations are based upon what I observed, my management training, and what I thought I heard. A survey would reaffirm to the employees that management really is committed to making Stouffer's not only top of the line for the guests, but for the employees also. The caveat of course is, don't survey the employees unless you really intend to act upon the results.

EMPLOYEE COMMITTEE:

The advantage of an employee committee is that it provides another avenue for communication. By an employee committee I am not talking about simply a gripe session. This would be a committee of volunteer or elected representatives from the various departments. Their job would be to act as a liaison between the wage employees and management. They could also be given responsibilities such as the annual picnic, special fund drives, etc. Although by making the employee committee solely for wage employees this leaves some of the lower ranking salaried employees without a voice, hopefully the management training and other recommendations will

solve this problem. The personnel manager could be an ex officio member, but the committee should be primarily by and for the wage employees.

SUGGESTION BOX:

One method of encouraging employees to communicate is through the use of a suggestion box. One complaint voiced by employees was that the suggestion box was only for safety concerns. By using the suggestion box employees would have a forum for those ideas for improvement, and concerns that might adversely affect the quality of the service provided by the organization. Obviously employees should be encouraged to voice these suggestions to their supervisors, but the suggestion box would open up another avenue for communication. If a suggestion box is established, it is essential that all suggestions receive a response.

ORGANIZATION:

There were several instances where the organization chart seemed to conflict with the authority necessary for an individual to perform the job. One case is the hotel restaurant. The restaurant manager is primarily responsible for the success of the restaurant, but he only has authority over the servers; the food preparation, supplies, and even dishwashing is the responsibility of the chef. Although the supremacy of a

chef in a kitchen is understood, the restaurant manager must either be given more authority, or be held less responsible. Another area where there are conflicting responsibilities is that of sales, catering and the banquet manager. Clearer lines of authority, responsibility, and communication should be established.

COMMUNICATION:

As is often the case, communication was the root of most other problems. One simple solution would be for the general manager to set the example for the rest of his executive staff by spending more time walking around the hotel and making himself visible to the employees. It is easier to show a commitment to quality and service if it is done in person on a regular basis. Other recommendations above, if adopted, would also enhance communication.

CHAPTER 4
MERRELL DOW
PHARMACEUTICALS INC

INTRODUCTION

Merrell Dow Pharmaceuticals Inc (MDPI) was selected as a representative of the pharmaceutical industry largely as a result of its location. The company was in the local community, reducing the costs of research. It was not until after the residency began that I discovered other advantages to studying this company. All references can be found in Appendix D.

Prior to the residency I spent a day at Merrell Dow talking with individuals about what I wanted to accomplish during the study. Based on this information a task force was established to set up a residency schedule that would satisfy my requirements (D,1-11). Although the residency was very organized, flexibility was encouraged to ensure that my interests were being met. Due to a concern over trade secrets I was required to sign a confidentiality statement that allowed MDPI to review all documents used in this thesis. Once that was signed I was given absolute freedom to look at anything and talk with everyone in the organization. In fact, I was encouraged to find the 'warts'.

The following analysis is based upon my observations during March-April 1988.

HISTORY AND ENVIRONMENT

Merrell Dow Pharmaceuticals Inc. initially opened its doors as a small apothecary shop with one employee in Cincinnati Ohio in 1828. As the needs of the community grew, the Wm. S. Merrell Company became a regional supplier of medicine; at one time the catalog carried approximately 2,000 items. The company was family owned until 1938 when it was purchased by the Vick Chemical Company. The corporate name was changed to Richardson-Merrell Inc. to honor the founders of both companies.

In March 1981, the Dow Chemical Company acquired the prescription pharmaceutical business of Richardson-Merrell, known as Merrell-National Laboratories. By combining its existing pharmaceutical business with the former Richardson-Merrell pharmaceutical business, Dow created Merrell Dow Pharmaceutical Inc., a significantly larger company possessing the resources and capabilities to achieve accelerated growth. Merrell Dow Pharmaceutical Inc. is presently among the top twenty pharmaceutical companies world-wide.

MDPI is also involved in research and development; the Merrell Dow Research Institute is headquartered in Cincinnati. There are four additional research facilities in the United States and Europe. Merrell Dow

employs approximately 5700 people world-wide in research, sales and marketing, manufacturing, quality operations and administration.

As can be easily imagined the pharmaceutical industry is a very competitive, high stake and high profit business today. Since its acquisition by Dow, MDPI has taken a very aggressive and proactive position in the field. Among its goals is to become one of the top ten pharmaceutical companies within the next five years. Accordingly, MDPI is making major capital expenditures to insure that the company is prepared for success. In 1987 MDPI had over 1 billion dollars in sales for the first time in its history.

ORGANIZATION REVIEW

MISSION:

The MDPI mission and objectives (D,12-13) stress the importance of increasing market share and, consequently, profits. Although the quality performance program is mentioned, it is overshadowed by the emphasis on sales and marketing. MDPI does have a separate "Commitment to Quality" (D,15), which echoes a similar statement made by Dow (D,16). In addition to these quality statements, Merrell Dow Pharmaceuticals Inc. adopted the Dow Core Values (D,14) in July 1986. Both the Core Values and Commitment to Quality emphasize

the importance of the employee and customer, and the need for continuous improvement in order to achieve long-term success.

ORGANIZATION:

Merrell Dow Pharmaceuticals Inc., in keeping with the Dow philosophy, attempts to maintain a flat organization (D,17). In my interviews individuals stressed the importance of having no more than three levels of supervision between the most junior employee and the president. Unfortunately, adherence to this policy appeared to be the exception rather than the rule. The violations occur due to the large spans of control of top management and their immediate subordinates.

Although MDPI may not have achieved its goal of a flat organization, it has attempted to clean up the lines of authority by restructuring the organization to separate the prescription and over-the-counter operations. Merrell Dow USA and Lakeside Pharmaceuticals have become two separate companies under MDPI. This allows each company to develop a more focused approach to its market. Merrell Dow does provide some support services to Lakeside, but the goal is to have totally separate marketing and sales forces and as many other support services as is economically feasible.

The commitment to quality is very apparent in the organization chart. Unlike many organizations, quality

control (Quality Operations at Merrell Dow) does not report to the head of manufacturing (Operations). At Merrell Dow Quality Operations is at the same level as Operations, both reporting directly to the president. Another significant quality indicator is the establishment of a Director of Quality Performance (Quality Advancement on the organization chart). The appointment of a high achiever (D,95) to fill this new position further substantiates the commitment to quality of the president and general manager of Merrell Dow U.S.A.

COMMITTEE STRUCTURE:

Standing committees and minutes are frowned upon at Dow, and therefore Merrell Dow Pharmaceuticals Inc. does not have many. This stems not from any edict from Dow, but from the integration of Dow personnel into the Merrell Dow organization over a period of time. What Merrell Dow does encourage is working groups (task forces) to resolve specific problems or projects. These groups are made up of people with specific expertise from different functions. This matrix style works well, communication is enhanced.

Most of the committees that do exist are in the area of operations and quality operations. Generally the membership is comprised of individuals from both functions. Again, the purpose is to enhance communi-

cation between those people who need to work together to get the mission accomplished. I was amazed at how well everyone appeared to work together. Committee membership is also at the lowest level possible to get the job done. In this way those people who really know what's going on, and what the problems are, attend the meeting and participate.

The safety meetings are the one type of meeting that is mandatory and recurrent throughout the organization. A safety monitor is appointed for each area and is responsible for the meetings, additional guidance and materials are provided by the safety office. Safety is a critical area at Dow, and this commitment to safety has been adopted by Merrell Dow. In addition to the safety meeting each area does hold office meetings as required. These meetings are not held as often as is really necessary to enhance communication.

EMPLOYEE APPRAISAL SYSTEM:

All employees at Merrell Dow are appraised on an annual basis. There are different appraisal forms for exempt (salary) and non-exempt (hourly wage). In addition, each function can design their own form (D, 18-54). There are advantages to designing a form that actually meets your area's needs is attractive; in an era of standardization, it's very surprising.

The forms do vary a great deal among the functions, and between exempt and non-exempt. Marketing (D,18-23) has a detailed guide for completing a job performance review of non-exempt employees. Both the employee and the supervisor are encouraged to actively participate in the review and discussion. In addition, the review form offers the opportunity to establish developmental activities for the employee. The form itself does not encourage an objective review (D,24-30). Although there is a small space for comments, the reviewer is asked to rate very generic categories, encouraging subjectivity by default. In contrast, the exempt form (D,31-35) stresses goals and results, a descriptive review of skill areas, a performance summary that includes recommended action and a timetable, and future goals. Although the exempt form is less standardized, it allows for a much more objective review.

The financial and business services appraisal forms (D,36-44) took a similar tact as marketing, but did incorporate more use of actual standards related to the individual's job in addition to the generic standards. Operations and quality operations (D,45-51) used generic standards on the non-exempt appraisal form, with one additional page for a narrative summary. An appraisal form used at the research institute (D,52-54) again used generic standards to review performance.

Not surprisingly, the emphasis of all the appraisal forms was on doing a good job. The disadvantage of using generic standards as they are presently designed is that it encourages subjectivity. The performance appraisal, especially when tied to monetary awards, is one place where subjectivity should be eliminated. Using the form for development purposes and to document future goals is excellent.

INCENTIVE/REWARD SYSTEM:

As mentioned above, the annual incentive award is tied to the annual performance appraisal. Pay for performance is based upon a forced distribution: 1: exceptional (20%), 2: good (75%), and 3: need to improve (5%). Cash awards and salary increases are both linked to the individual numerical rating.

Individuals are also eligible for special achievement awards. These awards generally recognize accomplishments that have a positive impact on the bottom line, or make the organization better. The recipient is awarded up to one month's salary; these awards are not linked to the performance appraisal or numerical rating.

Merrell Dow strives for both internal and external equity in salary ranges. The HAY point system is being used to establish equity throughout the company. An external survey of the best companies in the area is

conducted twice a year to assure Merrell Dow maintains competitive salary ranges. Unfortunately this year in Cincinnati the average wage scale decreased. Despite the indication that a pay scale increase was not merited, Merrell Dow showed its appreciation by awarding the non-exempt employees a cash bonus.

In addition to cash awards and salary increases, non-monetary awards are encouraged. These awards are not tied to the performance appraisal; they are generally awarded for specific acts of achievement. Financial and business services initiated the PACER (Partners Achieving Consistent Excellence) award, a peer recognition program where individuals are nominated by employees; a steering committee composed of exempt and non-exempt employees selects the winner. Activities that have been recognized include the development of a new MIS system and exemplification of interpersonal relationships by secretarial personnel.

Due to the potential problems with attendance, operations developed a perfect attendance award. Those individuals who meet the criteria of having zero time off during the year are honored at a special banquet and receive a certificate. Another example of a non-monetary award is the President's Pin that the top sales reps receive.

QUALITY CONTROL METHODS:

Merrell Dow has over 100 people assigned to insure that the consumer receives a quality product. Their responsibilities (D,75-77) range from inspection and testing of raw materials, inspection of line operations, inspection and testing of the product during production, to review of documentation, resolution of problems, development of computer systems, and audits. In addition quality operations assists in the development of new products and packaging (D,79). To put it bluntly, quality control is in every aspect of Merrell Dow's business.

In addition to inspection, Merrell Dow is creating quality control mechanisms that will allow less inspection but not jeopardize the integrity of the product. By certifying vendors (D,78) of the materials used in the products, Merrell Dow will not have to test and inspect all the materials, the vendor will already have accomplished that in accordance with the required specifications. The advantage to Merrell Dow is the elimination of duplicate testing, the advantage to the vendor will be an increase in business.

Another innovation being considered is a computerized batch product record (BPR). This document accompanies the batch during production, providing an audit trail. If there are any errors on the document the product batch cannot be released for additional

processing, packaging or distribution. If there are errors they must be corrected manually, causing delays of hours and days. Once computerized, entries could be made on-line, the BPR reviewed, and errors could be corrected without the present time lag. Definitely an idea whose time has come.

Quality control mechanisms are not limited to those under the auspices of quality operations; every function that I observed had mechanisms to help them insure that the mission was being accomplished appropriately. Although some of this review is precipitated by requirements of the Federal Drug Administration and other governmental entities, much of it was not. This was evidenced by the enlightened attitude of the people. The quality control mechanisms were generally developed by the people using them, and considered to be aids not impediments to doing the job.

Merrell Dow has also taken a pro-active position with the consumer. In addition to the sales representatives acting as liaisons between the physician and the company -- reporting both positive and adverse effects -- a toll-free number is imprinted on the label of over-the-counter products to encourage contact by the consumer with Merrell Dow. This information is acted upon within set time periods and reviewed for trends (D,80).

COMMUNICATION SYSTEM:

Informality is the name of the game at Merrell Dow. A fairly small company, with a marketing oriented leadership, everyone is on a first-name basis. Surprisingly it doesn't seem to conflict with the need for confidentiality and security. Merrell Dow strives to develop the potential of its employees, therefore people tend to be promoted through the ranks and have expertise in more than one function. As a result, communication tends to be good; people talk to each other. It also tends to be bad; the organization is growing so rapidly, people are losing touch with each other, and with the company as a whole.

Communication occurs throughout the organization by the use of one-page memos with multiple addressees. In addition, the quality operations computer information system (QOIS) has mailboxes. Another innovation is the use throughout the organization of ASPEN. This system allows a user to receive messages left on his/her telephone at any time. Used extensively by the sales force, it also is used within the organization, cutting down on the need in some areas for additional secretarial (telephone) support.

More traditional methods of communication include the employee orientation checklist (D,55), company orientation process and employee handbook (D,75). Expanding upon the basics, quality operations and opera-

tions hold several additional orientations to different functions for new employees (D,56-58). I was particularly impressed with the handbook that operations provides all new employees (D,59-73). Not only do they take the time to personalize the handbook, information is updated regularly. Other enhancements are the audit and evaluation of orientation. This personalization and concern over whether the program is meeting the needs of the individual is so easily overlooked, yet is so important in making a new employee feel a part of an organization. The information contained in this notebook included practical technical information, in addition to the mission and philosophy of operations.

Both Dow and Merrell Dow are firm believers in communication through various in-house publications (D,98) including a weekly newsletter and quarterly multi-page newspaper (D,101-102), and specialty publications on health, quality performance, prescription pharmaceuticals, over-the-counter products, and policy. Specialty publications (D,99-100) are distributed throughout the organization, in this case to celebrate one billion dollars in sales. Promotions and other information of interest are also announced in the Merrell Dow News Update (D,95) which is published as needed. These publications are widely read, and are important sources of information.

To determine where employees are receiving their information a semi-annual survey is conducted. Another forum is the RAP session. These have been used in the past to encourage communication between supervisors and employees. The success of these sessions obviously depends upon the attitudes of the participants, they can easily turn into gripe sessions.

The biggest deterrent to communication is the separation of sales and marketing and most of the other support functions in Blue Ash from the plant and research institute in Reading. Communication does occur, but not as frequently and timely as optimal. Based on my observations there was more of a lack of people from Blue Ash not coming down from the mountain than people from Reading not going up. This has an adverse impact on more than just communication.

DISCUSSION OF OBSERVATIONS

During my brief residency with Merrell Dow I was exposed on a daily basis to many activities that previously I had only read about in books. Not everything was perfect, but there was clearly evidence of good management practices.

QUALITY MONITORS:

The emphasis in this area concerns not only what types of quality monitors are being performed and the effectiveness, but additional activities that tend to encourage quality. As discussed above, many areas monitor their activities to assure the quality of the product, and do so quite effectively. This section will discuss some of the highlights and problems.

AUDITS: On paper Merrell Dow has a very thorough audit program that should insure quality operations. In addition to each production related activity being reviewed every two years, incident reports are reviewed for trends, and product, process, and procedure audits are accomplished as needed. Even the purpose of the program is in keeping with the Merrell Dow philosophy of continuous improvement. In reality the audit program is virtually nonexistent. Although a very qualified individual is responsible for audits, he has been given additional duties that appear to have higher priorities than doing audits that identify areas for improvement. As a result the audit program has little credibility at this time.

FEEDBACK: This is another area that is ripe with inconsistencies. Quality is easily one of the most critical aspects in the manufacture of prescription drugs. Communication is an integral part of any quality control program, and probably the most neglected.

Merrell Dow promotes quality verbally, but there are very few written communications on the subject, and little integration into the day-to-day work environment. The quality performance program will approach this problem, raising the consciousness level of the employees. On the other hand, the RAP session has the potential of being a very effective communication tool. The discussion between exempt and non-exempt employees of what is happening provides an opportunity for the senior manager to hear both the good and bad. After the session a summary is prepared with an action orientation.

DOCUMENTATION: Due to the nature of the business, documentation is a very high priority. Unfortunately, the necessity of accurate documentation has not always been effectively communicated. An example is the extremely high error rate on batch product records. These documents are critical to the timely release of the product, yet this area is sadly neglected in terms of manpower, training and computerization. Presently the job is being accomplished by manually transferring the 'R with the actual production batch. As production increases, and an additional plant is opened, opportunities for loss will be compounded. The time required to review the documentation will also rise. Training of the operators on the importance of the documentation and 'how to' accomplish it has already

been initiated. If computerization of the SPR is not feasible, allocation of additional manpower should definitely be considered.

RECOGNITION: Several areas implemented programs to encourage vendors to provide a quality product. The distribution department has both a warehouse audit and recognition program and a carrier evaluation and recognition program. These programs are designed to encourage the warehouse that stores Merrell Dow pharmaceuticals and the carriers that transport the products to adopt the Merrell Dow philosophy of continuous improvement. The winners are honored with a plaque and a special recognition program. Purchasing has a vendor recognition program based on the quality, timely delivery, quantity, and invoice price of each order. This evaluation not only identifies those doing well, but those who need to improve if they are going to continue doing business with Merrell Dow. The top vendors will be invited to Merrell Dow for a day of orientation and entertainment. The goal is to build a good relationship that is based on fair dealing and good quality.

PERFORMANCE APPRAISALS: The good aspect about the Merrell Dow appraisal system is that it exists and is required on an annual basis. The system should require standards tied to each individual's job description, it presently allows too much potential for subjectivity.

The employee may know what categories he/she's being rated on, but has little indication of what weights are being given to different job behaviors required by the job description. Although not necessarily encouraged by the forms, individual supervisors had adapted the process to incorporate systems that were very objective. In operations a system of OGP's (objectives, goals, plans) was integrated into the appraisal system. In addition, one supervisor required his employees to accomplish daily reports of their significant activities. This was compiled into a monthly report that allowed the supervisor regular communication with his employees, and documentation for the appraisal. He admitted that his employees were initially recalcitrant, but soon learned that it took less than 10-15 minutes to accomplish on a daily basis.

QUALITY EMPHASIS:

This area is essentially a chronological history of the emphasis that Merrell Dow has placed on quality.

March 1984: Partners achieving consistent excellence (PACE). Purpose was to focus efforts of all employees on improving the quality of products and services for external and internal customers.

September 1984-March 1985: Tom Peters' 'Towards Excellence' program was presented to exempt employees and selected non-exempt employees.

October 1984: Physician and pharmacist survey completed. Purpose was to find out what the customers thought about Merrell Dow and areas for improvement.

January 1985: Marketing employee of the quarter awards.

August 1985: Customer information center (CIC) established as a result of the survey.

October 1985: Financial and business services employee of the quarter award.

March 1986: CIC initiates toll free number.

July 1986: Dow Core Values publicized.

July 1986: Board of directors of Merrell Dow Pharmaceuticals Inc. adopts the core values.

September 1986: Annual vendor recognition program initiated in distribution.

October 1986: Core value tape distributed. President of MDPI and his direct reports explained the importance of living core values.

October 1986: Annual vendor recognition program initiated in purchasing.

November 1986: Vendor certification pilot program initiated.

July 1987: Core value plaques displayed throughout the company.

July 1987: First issue of Excel published. Merrell Dow publication with a quality emphasis which also discloses quarterly performance measurements.

July 1987: Merrell Dow performance measurement system announced.

February 1988: Announcement of new position of director of quality performance.

RELATIONSHIP OF QUALITY, COST AND PRODUCTIVITY:

Quality is not the antithesis of cost and productivity, this section seeks to demonstrate how they interact at Merrell Dow. An example given at the good manufacturing practices orientation says it all. The speaker asked which was more important: quality, safety, or productivity? To answer his own question he displayed a picture of a three-legged milking stool (each leg appropriately labelled), all are essential to the operation.

OPERATIONS: During my plant tours and conversations with operations and quality operations personnel I was impressed with the emphasis upon quality and the concern not only to be cost effective, but to improve the quality of life of the employees. Merrell Dow's policy of not laying employees off does not deter innovation. Production lines have been able to use automated methods to inspect, transferring employees to other jobs. This interest in replacing tedious and monotonous jobs by automation, which is more accurate, demonstrates how dedication to quality benefits both cost and productivity.

PERFORMANCE APPRAISALS: Quality was generally a part of the performance appraisal, but strictly in the generic sense. Where there were actual standards that were related to the job description the emphasis generally was on areas that could be easily measured: cost and productivity. In many cases supervisors indicated that they were firmly committed to quality, it simply wasn't a part of the appraisal. Despite the tendency to continue business as usual, there is a movement towards quality-oriented measurement. In my discussions with the director of business services he showed me the various measurement tools that were being utilized. Over 50% of the standards were quality oriented. Basically it is simply a matter of education. To paraphrase a common thought, the performance you inspect is the performance that you will get.

AWARENESS: The emphasis on safety permeates the organization. Raising the quality awareness to the level of safety consciousness is one of the objectives of the quality performance program, as the president of Merrell Dow indicated (D,101).

OGPs: The department of safety is one area that has effectively integrated the core values into its objective, goal and planning system. By doing so each employee can better identify how the core values are really a part of the way the job is to be done at Merrell Dow. It also demonstrates that management is

serious about its commitment to core values, and to quality.

COMMUNICATION: This is a critical area that often is ignored when discussing quality, cost and productivity. But the lack of effective communication may have one of the most deleterious impacts to the organization. At Merrell Dow communication is not bad, but it could be greatly improved. This is especially the case between different functional areas: specifically operations, sales and marketing, and the research institute. In my short period of observation it became readily apparent that the lack of communication resulted in production processes that were unwieldy and ultimately costly. An example of this is the new product process testing and validation. There was never a question that the product didn't meet FDA or Merrell Dow standards, but there might have been a better way to do it, which would have been better for the company in the long run.

VENDOR CERTIFICATION: Probably the best example of a program that effectively integrates quality, cost and productivity. Vendor certification is not a cost cutting program, but the end result may reduce costs, while improving the quality of the product and productivity. Vendor certification results in a reduction in the number of vendors supplying materials, they receive more business, and they become more

proficient at providing the material in accordance with Merrell Dow specifications. The result is an assured level of quality, which under the present quality philosophy is more important than price. What business has learned through experience is that quality pays for itself, the price of reducing costs may be a much higher figure than the company is willing to pay.

MOTIVATION TECHNIQUES:

As many organizations have discovered, you just can't tell your employees that quality is number one and expect them to automatically buy into the program. Employees have many too many 'programs', they want more of a commitment from management before they buy into a new agenda. This section will discuss motivation techniques that Merrell Dow has used in the past, and is planning to use in the future.

PRIDE CIRCLES: Merrell Dow started its quality circles program in 1983. Over the years the program has expanded from three in manufacturing and packaging to 12 pride circles in manufacturing, packaging, maintenance, warehouse, accounting, MIS, and customer service. Presently the pride circle concept is going through a period of revision. As a result of the perceived loss of enthusiasm and stagnation with the groups a survey was accomplished. Based on this feedback the following actions were taken:

a new constitution, appointment of enablers (management) to help the circles when necessary, and the concept of rotating membership. Individuals could join the pride circle when a project interested them, and quit when it was accomplished. In addition, pride circles were not required to have weekly meetings if not necessary, the time could be used to work on projects.

In the past pride circles have been very effective at Merrell Dow. One of the problems recently is that one of the most energetic supporters of the program has been given new responsibilities. Without her as a champion, the program began to fall apart. Hopefully the appointment of enablers will breathe new life into the program. If management does not show more of a commitment to pride circles it will be hard to get employees interested in any additional new 'programs'.

OPERATOR TRAINING PROGRAM: This program was initiated in 1986 by the same individual who became very involved in pride circles. Obviously a very assertive and innovative individual. The rationale was to get the operators on the production line involved in the development of a training program. The operators would determine the job requirements, the skills and knowledge necessary and then help to prepare learning checklists. The trainee would then learn on the job by following the checklist. Because a standard checklist is being used, all employees would be trained on the

same procedures. The trainer would verify the trainees competence level and sign off on the checklist. What better way to get a commitment to training then to have the actual people involved develop the training manual? This was another fantastic program that is potentially in jeopardy at this time. In this case management did assign another individual to take over the program, but within a month this person received another assignment also. At the time I left this program was no one's responsibility. Employees don't see management demonstrating a true commitment to quality programs and this acts more as a disincentive than if management had done nothing to begin with.

PANEL REVIEW: The panel review is another tool to give recognition to employees who become proficient at their jobs. After an individual has been trained he/she can request a panel review. The purpose is to gauge the level of the operator's skill and knowledge, their ability to communicate with others, and to emphasize the importance of their job duties in producing a quality product. If they pass the panel review they receive a plaque and it is indicated in their personnel record. If they do not pass then the individual receives additional training in those areas (no fail philosophy).

GROWTH OPPORTUNITIES: Although not a formal program during my residency, I observed on various occasions individuals being given the opportunity to do

projects that were technically probably not within their job description, at least not in the traditional sense. This is probably an even more important motivational tool because it is not a 'program' it is simply the Merrell Dow way of doing business. Being given opportunities to stretch your capabilities, and not being penalized for failure, builds loyalty and morale. One example that particularly impressed me was the calendar that quality operations produces (D,96-97). Not only does the calendar integrate the core values with the commitment to quality, but a secretary was given the responsibility (and recognition) for the designs. Too often management keeps all the fun projects and glory. This was a good example of delegation, the key was giving the employee appropriate recognition.

TRAINING PROCESSES: Merrell Dow is committed to providing developmental training to its employees. The philosophy is to provide employees with all the tools necessary for them to be able to do their jobs, to grow, and to succeed. In addition to have the traditional tuition reimbursement programs, there is an extensive employee development process (D,82-84) in-house. The key to this program is that there is something for everyone. In addition to courses that simply help an individual do their specific job better, there are personal course , a course to help you prepare for retirement, and courses for supervisors. Presently a

course is being developed to give managers the additional tools that are necessary in their positions.

Another aspect of the training is that it is all integrated. Non-exempt, exempts, supervisors, and managers are all learning the same concepts, at different levels. This allows everyone at Merrell Dow, at least theoretically, to know what language is being spoken. Although some courses are taught by outside consultants, many of the development processes are taught by Merrell Dow staff. Again demonstrating a commitment by management to the growth of the people who are making the company successful.

QUALITY PERFORMANCE PROGRAM: The quality performance program will be discussed in greater detail below. I do believe that the formal initiation of a quality program is a good motivational tool. The employees see that top management is not simply talking about quality, they are putting valuable resources into the program. The only caveat to initiating the program is that once announced you can't back down from your commitment. This is what has happened to many of the 'quality' programs of the past, and is why employees are so skeptical.

QUALITY PHILOSOPHY:

It's very easy to make pronouncements to groups of people, the tough part is following through. This

section is a discussion of those actions that Merrell Dow has taken and is planning to take in the development of a quality philosophy throughout the company.

CORE VALUES: In 1986 Dow Chemical went through a process to develop core values (D,14). They developed a set of value statements that illustrated "values" important to Dow, providing the employees of Dow guidance for decision-making. Merrell Dow adopted those guidelines in July 1986. It's a good set of values, but it's questionable whether Merrell Dow has really integrated those values into the organization. When talking to employees I asked them what they meant. They would point to the plaque on their desk and shrug. It was simply a plaque that top management had said was supposed to be displayed on their desk. I'll admit the people making these statements were generally non-exempt employees or lower level management, but the point, is the message has not reached them; and these are the people who really need to live those core values.

SALARIED OPERATIONS: This is another concept that came from Dow Chemical. The basic philosophy is: individual treatment (flexible personnel policies), elimination of 1st/2nd class approach, decision-making passed to the lowest level, elimination of artificial barriers (we vs. them), pay for performance, broad job structuring = whole job concept, awareness by both management and employees of their interdependence, and

something for something. The basic objectives of the program stem from a desire to organize a plant's workforce in such a manner that each employee shall be motivated to and capable of contributing his/her maximum to the business, while achieving maximum personal satisfaction and job progression. Merrell Dow was non-union when it was purchased by Dow Chemical and has been adopting its own practices to the salaried operations concept. According to my observations it appears to be working very well at Merrell Dow.

PUBLICATIONS: Both Dow and Merrell Dow are involved in publishing quality-related articles, special reports, and newsletters. This is another means of educating employees about the serious commitment to quality. I thought two of Dow's publications were particularly good (D,85-94). 'Quality Means More at Dow' is a summary of the teachings of four recognized quality experts. Communicating the necessity of quality, resulting in a cost effective strategy for business success, and different methods to attain quality. The second piece 'Is Good, Good Enough', is taken from a speech by a vice president and director of Operations Dow Chemical U.S.A. The theme is quality and the need for continuous improvement. Merrell Dow's Excel is a quarterly publication that strives to bring the emphasis on quality home, to get the employees to become stakeholders in the program.

QUALITY PERFORMANCE PROCESS: The quality performance process was in the planning stages while I was at Merrell Dow. The director had been appointed (D,95), the president of the company had stated that quality was his number one priority (D,101-102), and an initial schedule had been presented to the operating board, but the plan had not yet been developed. A decision was made to use the word process rather than program: a program has a beginning and an end, whereas a process is ongoing. This is the tenet upon which quality performance is based.

Another indication of the high level support is evidenced by the membership of the quality council, the final approval authority for the plan. A steering committee will be appointed to develop a detailed plan and assist in the implementation. Whereas the quality council is composed of the present leaders of the company, the steering committee is made up of the future leaders. The commitment to quality will be fully integrated into the ranks of management.

The plan is not designed to be implemented overnight. The operating board recognized that the process will involve a culture change. Although participative management has been encouraged in the past, it will be the cornerstone of quality performance. A new emphasis will be that of teamwork, downplaying individual superstars. One of the goals is to get all

employees to feel that it is part of their job always to seek to improve the way they do business; another is to treat everyone, both internally and externally, as a customer whose needs must be satisfied. The basic philosophy of the quality performance process is contained in the 'Commitment to Quality' (D,15).

I was impressed with the commitment that top management is making to the quality initiative. Hopefully they will not get impatient with the slow course of events. It would be devastating for the program to fail due to a lack of commitment, the potential benefits of success to the company and the employees are too great.

RECOMMENDATIONS

To say that I was favorably impressed with Merrell Dow would be a gross understatement. As I have mentioned above, there are problems. But generally the atmosphere is positive; people are committed to achieving the goals of the company because they are their goals too. In addition, as one individual commented when being interviewed, if you treat people like adults they tend to behave like adults. That is what I observed, people being treated like individuals and striving to reach their potential. Many companies would not want to make changes since their system

presently is successful. There is always room for improvement, as the Merrell Dow philosophy of continuous improvement advocates. The following recommendations are based on my observations during the short period I was at Merrell Dow, many recapitulate statements I have made above.

MISSION:

Although Merrell Dow Pharmaceuticals Inc. and Merrell Dow U.S.A. have a mission, and objectives, and plans, etc. my search for a copy of them was almost humorous. Unfortunately the operating board members are the only people in the organization who appear to automatically get a book containing these documents. The rest of the employees just 'hear' about them. Obviously this does not promote a united front. One complaint that I often heard was that 'they' always wanted something. The people being directed didn't know who 'they' were, or why they wanted the action taken. If Merrell Dow is serious about the team concept, all the employees need to become members. And all the employees need to know what the mission and objectives of the organization are so that they can help achieve them.

My concern about the core values runs along the same lines. In this case the employees know what they are, but they're not sure what they're supposed to do with them. Some functions have taken the initiative of

integrating them into the OGPs. An additional step would be to integrate them into the performance appraisal. A common theme around Merrell Dow is 'if you can't measure it, don't do it'. That pertains to the core values too. If Merrell Dow is really committed to these values it must be better communicated to the employees, and measuring adherence to them through the performance appraisal is essential.

COMMUNICATION:

Merrell Dow has been undergoing a period of rapid growth over the last few years. As a result of the increased success, steps have been taken to expand operations. In addition to a new research building, a new plant is being built, other buildings are planned, and many of the support functions have relocated to Blue Ash. In addition the staff has increased with both full and part time employees. All this has occurred without much thought about the impact on communication. During conversations several individuals indicated that the atmosphere was changing; there were so many new faces, it no longer seemed like a close-knit family. Change can be very threatening, even when it is positive.

Initially I would recommend a survey be conducted of all employees. This survey could be used to determine the morale of employees, assess the needs, and provide management documentation to support the

initiation of programs, policies to change, etc. By communicating with the employees in this manner, and following through with a plan on how to satisfy their needs and improve morale, Merrell Dow would be demonstrating its commitment to the employees and to quality performance.

Based on my observations there are a few areas where I think communication needs more emphasis. As I mentioned above, more effort needs to be made to improve communication between those functions located at Reading and those at Blue Ash. This does not mean that more formal meetings need to be held, it is the informal interaction that is lacking which would enhance both the quality of life and the final product. When people know each other, and what is important to each other, the tendency is to work with each other better. I would also recommend that an orientation program, similar in nature to my residency schedule (but not as long), be initiated. It was not uncommon during my residency for me to be able to offer advice on who needed to be contacted on different issues. An orientation program of one/two weeks would allow people (and not limited solely to new employees) to gain a better understanding of the big picture, and allow them to establish contacts in different areas. A formal program is necessary, although everyone has good intentions, no one will ever have the time to do it otherwise.

As in many companies undergoing rapid growth, the top management at Merrell Dow is busy making everything happen. What they aren't doing is getting out and seeing the people who are really responsible for the success. Top management needs to make themselves more visible to all the employees, at Blue Ash, Reading, the warehouses, and probably even the research institute. In this period of rapid change, the employees need to see the boss, and feel that he is interested in their welfare. It doesn't have to be for long periods of time, but it should be on a regular basis. This is simply another way of demonstrating that Merrell Dow the team spirit.

My last concern involves the research institute. I only spent two days there but I was definitely left with the impression that more effort needs to be made to improve communication between the institute and the other areas of Merrell Dow. What occurs in those buildings is so critical to the success of the company, yet they seem to be in their own world, only communicating with the rest of Merrell Dow when absolutely necessary. Somehow the research institute should be encouraged to become a more interactive member of the team.

APPRAISAL SYSTEM:

As I mentioned above, I would recommend adoption of a performance appraisal system that integrated with an individual's actual job descriptions. Each employee's job would be described by key elements (5-10). Specific criteria under each element would provide objective standards of successful performance, against which actual performance would be measured. In addition to these elements and standards could be a section with more generic job behaviors. In this way the appraisal would be tailored to the individual, or category of job, yet behaviors that Merrell Dow wants to encourage overall could also be appraised. This system should make the appraisal system more objective, and therefore more equitable.

RESOURCES:

In keeping with the other recommendations, Merrell Dow needs to make some hard decisions concerning the allocation of resources. If Merrell Dow is truly committed to quality performance, and is firmly committed to preparing itself for continued success in the future, then it needs to be more proactive. One area that particularly concerned me was quality operations. The quality operations personnel are trying to perform the same function, with the same number of personnel (with a few exceptions), but under different

conditions. The number of production batches has increased, the number of shifts has increased, the complexity of the documentation has increased, and the complexity of the procedures is greater, yet the personnel trying to assure the quality of the product are not increasing. As I mentioned above, either more personnel need to be dedicated to these important functions, or integrate more computerization, or both. Quality operations needs to move away from solely fighting fires and back to the business of prevention.

Related to my concern over the allocation of adequate manpower and computer resources to quality operations is the manner in which the cost of quality (batch difficulties) is calculated. In addition to laboratory time, rework time within the department, and the value of the product lost, other actual costs should be included. Damage to equipment definitely should be considered, as well as other departments' time to solve the problem. Without these additional factors you aren't getting a true cost of batch difficulties upon which to make decisions.

Other areas that need additional emphasis are the pride circle and the operator training programs. These programs are both integral to a continued emphasis on quality. To start a new quality performance process without integrating these existing programs would seriously tarnish the credibility of management. The

people involved in these programs have worked very hard to make them effective, their efforts should not be wasted.

TRAINING:

As I mentioned above, I was generally impressed with the training program. One very positive aspect was the use of training programs in conjunction with the performance appraisal to develop employees. I was concerned by the placement of total responsibility on the supervisor and the employee to initiate contact with the training department to find out what courses were available and apply. I understand that training does not want to undertake the role of a policeman, but it is also too easy for employees to get overlooked. A computer program could be developed to tag employees when they are eligible for certain development courses and they could be notified. They don't have to attend if they're not interested, but at least they would be given the opportunity.

Another area that does not seem to be receiving adequate attention is management training at the research institute. Technical training and seminars are abundant, but many of these professionals have never received even the basics of how to supervise personnel. These individuals should receive training, either through the in-house program or an outside consultant.

My final comment is directed toward the ad hoc training that is conducted. Reports indicate that the "Creating a High Performance Team" seminar that operations personnel have been attending is excellent. But they are the only area developing the tools. It seems detrimental to the overall goal of the Merrell Dow development process to have large segments of personnel using programs that may not be sufficiently integrated. If Merrell Dow is firmly committed to the team concept then everyone should receive the same training so they can play the game by the same rules.

CHAPTER 5
GOOD SAMARITAN
HOSPITAL AND HEALTH CENTER

INTRODUCTION

Good Samaritan Hospital and Health Center was selected as a representative of the healthcare industry for various reasons. I wanted to study a fairly large hospital that had an active quality assurance program. In addition, I wanted to see how a hospital that is part of a system of healthcare organizations interacts with the corporate office. And finally, I was interested in observing the basic management style of an organization whose primary goal is to provide quality care. Good Samaritan met all three criteria, and had the added benefit of being in the local community.

My administrative residency at Good Samaritan (Good Sam) was tailored solely to my interests (E,1-2). After my initial interview Good Sam waited for my arrival before a schedule was accomplished. I discussed my interests with the director of quality assurance and based on her recommendations determined who I wanted to talk with, what activities and meetings I felt were important to attend. In addition to my rotational activities, to gain a better grasp of the details of the quality assurance program, I worked on projects. I was surprised by my welcome, especially since I wanted to look at the very sensitive areas of quality assurance and quality management.

The following analysis is based upon my observations during April-May 1988.

HISTORY AND ENVIRONMENT

Good Samaritan Hospital was opened May 12, 1932 to satisfy a documented need for additional hospital beds in the Dayton community. It was truly a community effort; although the Sisters of Charity made a substantial commitment, the people of Dayton contributed over \$1 million. As the mission expanded the number of hospital beds increased from the initial 250 to over 500. Always attempting to serve the community, Good Sam strived to meet changing community needs. A nursing school was sponsored until 1972, at that time the Sisters of Charity assumed a partnership role with the community's educational institutions in nursing education. Sinclair Community College nursing students began their clinical experience at Good Sam under the supervision of their own faculty members. To satisfy a new community need, in 1972 Good Sam began a center for training paramedics, becoming the largest in the nation.

In addition to meeting local community needs, Good Sam is committed to satisfying the needs of the larger Sisters of Charity Health Care System, Inc. The increasing competitiveness of the national and local healthcare environment has required all hospitals,

proprietary and non-profit, to take a very close look at their ability to function successfully in the future. To this end Good Sam has made some very tough decisions over the past two years. As a response to projected financial problems the equivalent of 208 full-time jobs were cut through attrition, early retirement and dismissals. Other cost cutting efforts included the closing of two suburban mental health offices and the paramedic training program. Cutting costs are not the only initiatives that are being taken to prepare Good Sam for the future. The mission and values of the organization are being reevaluated; the new direction is an emphasis on quality and teamwork.

The concern for quality is also apparent in the activities of the hospital quality assurance program. Perhaps as a result of the concern for costs there is an ever increasing awareness of the quality of healthcare. In addition to requirements of the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), third-party payors are requesting additional reviews of the care that is being provided in hospitals. The paranoia of many healthcare practitioners is understandable -- the difficulties caused by the providers' resistance to changes in the environment is regrettable.

ORGANIZATION REVIEW

MISSION:

The mission of Good Sam is essentially contained in the statement of philosophy (E,3). This statement is imprinted on plaques displayed throughout the hospital. The Sisters of Charity are aware of the importance of a good mission statement that is integrated into operations, decisions and practices and has provided guidance (E,9-19). A mission effectiveness committee has been established to promote this integration, and is presently working on a plan.

In addition to the mission statement Good Sam has several other policies that guide employees (E,4-8). These guidelines encourage open communication and a hospitality orientation in day-to-day operations. Neither is widely distributed, I found them by going page by page through the administrative policies, regulations, and procedures manual.

All the statements promote a quality philosophy and encourage individualized treatment of people. What is lacking is concrete direction.

ORGANIZATION:

Good Sam is going through a period of transition and reorganization. Over a period of years many hospitals developed a very bureaucratic organization,

with many layers of management personnel, and Good Sam was no exception. In the last two years the organization has been reexamined to determine the optimal structure. A reorganization eliminated a layer of mid-level management; the effect was to reduce the number of assistants to vice presidents and directors. Although improved, organization charts (E, 20-21) still have many layers of bureaucracy.

Good Sam is more than simply the one hospital that I studied. Horizontal integration is accomplished by membership in the Sisters of Charity Health Care System, Inc. Vertical integration has been achieved through the operation of Samaritan Hall, a center for the treatment of alcoholism and chemical dependency; the Maria-Joseph Living Care Center, a multi-level extended treatment facility; and ambulatory care centers in the communities north of Dayton. This integration has allowed Good Sam to increase its service to the community.

COMMITTEE STRUCTURE:

Hospitals are notorious for the large numbers of standing committees; part of the response to any problem generally includes the formation of a committee. Membership on committees also is generally large because no one must be left out who might possibly have an interest. The result tends to be a lot of time wasted in committee meetings. Although Good Sam is not as bad

as some, duplication of effort prevails. In addition to the hospital-wide administrative committees (E,23-24) there are the medical staff committees (E,25-26). Not only do some hospital committees duplicate the effort of other hospital committees, they duplicate the efforts of medical staff committees too. At a time when valuable resources cannot afford to be wasted.

The one type of meeting that there did not seem to be sufficient emphasis upon was office/staff. These meetings had a very low priority, a tendency to be canceled, and generally there was inadequate preparation by the supervisor. An essential communication tool was being sorely neglected throughout the organization.

EMPLOYEE APPRAISAL SYSTEM:

The employee appraisal system was undergoing renovation and promised to be state of the art. In the past annual appraisals were conducted; the format was basically generic (E,26-28). The new system is a criteria based appraisal system with standards reflecting the specific job that an individual is assigned. While I was at Good Sam training was being accomplished to instruct supervisors on writing good standards. I was very favorably impressed with the enthusiasm and in-depth knowledge of the instructors

(E,29-31). Although the criteria will be generic for each job category, the employee will receive an objective appraisal based on his actual job description.

The purpose of these enhancements is to make the appraisal system more equitable. In addition to the annual appraisal, the supervisor counsels the employee on a quarterly basis concerning his job performance and personal development. Another benefit of this system is the orientation to the future, rather than simply a retrospective review. As one of the instructors stated, the goal of management in the 21st century will be to 'help people reach their goals while successfully performing their jobs.' The success of the program will depend upon the depth of management's commitment.

INCENTIVE/REWARD SYSTEM:

The incentive/reward system was oriented toward the individual and his/her achievements. Good Sam has an employee of the month program and recognizes length of service (E,43-44). Other benefits include paid days off, continuing education, health and accident insurance and an employee discount in the cafeteria.

Merit increases are tied to the performance appraisal, further substantiating the need for a more equitable appraisal system. Each job has a specified wage range within which wages can be increased. This system is advantageous to the organization because pay

is tied to the job, not the individual assigned. The disadvantage is the loss of the expertise and continuity when employees transfer to better paying jobs both internally and externally to Good Sam. To avoid this consequence in clinical nursing, an alternative program has been initiated. Rather than force clinical nurses out of this critical shortage area for monetary reasons, a clinical nurse career path has been developed. By doing additional projects a clinical nurse can remain at the bedside, not sacrificing promotions and the attending benefits.

Although it has not yet commenced, top management indicated that the incentive system may be changing. The new emphasis on teamwork will require the incentives to be based upon achievements by the team, and the ability of an individual to work with a team. In an environment where the role models and mentors have been superstars it will be interesting to see this teamwork concept effectuated.

QUALITY CONTROL METHODS:

Since World War II there has been a definite emphasis in hospitals to deliver quality care, not simply care for the indigent. The responsibility has historically been given to the nursing staff, but since the mid-70's there has been a shift away from this orientation. The nursing staff still accomplishes

department. This department conducts quality assurance reviews, utilization review, infection control monitoring and risk management activities. The quality care analysts select patient's records that meet certain preestablished criteria (computerized) and evaluate the records to determine whether continued hospitalization is necessary based on the patient's condition and the treatment being received. If there is a question the physician is notified. In addition to reviewing records according to utilization criteria, referrals for additional quality assurance, risk management, infection control, discharge planning, and social work consideration may be made. The emphasis is to ensure that the patient is receiving the best possible care, not to encourage premature discharge.

Based on quality care reviews records may be forwarded to a physician advisor for additional review and subsequently to a medical staff quality assurance subcommittee. These committees meet monthly to review records and are attended by physicians assigned to the specialty. The concept is good, in practice these meetings are poorly attended, the physician advisor who referred the record to the committee for review does not present the case, and valuable time is wasted. The poor response by physician advisors has resulted in Good Sam hiring a physician to review cases. Top management and the medical staff leadership must become more involved

quality assurance activities, but the shift has been to require more involvement by management and the medical staff. These requirements are a result of judicial decisions, legislation, and the JCAHO. Good Sam initiated a quality assurance program in 1981, and radically enhanced the program in 1986, prior to the JCAHO survey. The present director of quality assurance is primarily responsible for the progress that the program has made to date. As management will readily admit, the medical staff has not welcomed this emphasis on quality assurance with open arms.

Part of the problem stems from the lack of stakeholders in the program. It is considered to be the director's program, and therefore her responsibility. Top management is supportive of the program, but is content to let the program develop gradually. The frustration level of those individuals involved in the quality assurance program is often very high. It is a good program despite all these hindrances, and is developing more credibility. The biggest problem is due to the lack of a dedicated champion on the medical staff, although some members do support the program (E, 55). The medical staff is begrudgingly fulfilling their responsibilities, but only because it is a JCAHO requirement.

The basic quality assurance program at Good Sam falls under the auspices of the quality assurance

in assuring that the medical staff realizes the importance of their committee responsibilities. Rather than simply accomplishing their duties to satisfy the JCAHO, the educational aspect should be stressed.

One committee that does this very effectively is the department of surgery mortality and morbidity conference. Primarily an educational tool for the resident staff, unusual cases are presented to determine whether the care provided was appropriate and to elicit alternative suggestions, not simply to point fingers. This teaching aspect is essentially ignored by most providers involved in quality assurance. To most physicians the quality assurance program is a 'gotcha' program. Good Sam's quality assurance program has all the basics for a successful program with the exception of the commitment of the medical staff.

Training is another element required to assure that employees provide quality service. Unfortunately at Good Sam training has been taking a back seat to other initiatives. Over a period of time the continuing education department has been down-sized, although the responsibilities have not been delegated elsewhere. One critical area that has been neglected is supervisor training. At one time a program specifically for supervisors (E,48) provided the tools necessary to be effective. These courses were no longer taught due to diminished resources. This is definitely an area that

needs additional emphasis. Management training is not conducted in-house, but employees are encouraged to attend local seminars and belong to professional organizations.

The patient survey (E,47) is another quality monitor that is utilized. Although rather basic it is an effective means to determine how well the customer (patient) is satisfied with Good Sam. This information is analyzed and distributed to the appropriate departments for action. Other similar activities will be discussed in the communication section.

COMMUNICATION SYSTEM:

Good Sam has a very extensive communication system as evidenced by an administrative policy (E,5-6) on the same subject. As mentioned previously, this policy is not widely disbursed. By eliminating layers of management the potential for increased communication is enhanced. Hopefully the present static will improve with the passage of time, and the emphasis by top management on open communication.

Part of the philosophy that top management is encouraging is ownership. In the past many areas have been involved in functional area turf battles. This is to be eliminated, everyone's primary mission is to

assure that the job gets done, not to fight over who's supposed to be doing it according to the organization chart. This is another area of slow progress.

The use of committees to insure interaction on issues is generally doomed to failure. Although there is a place for committees, as oversight bodies, the creation of a committee is generally a result of poor communication between functional groups. By promoting a philosophy and organization that encourages teamwork and communication, the need for committees should be reduced.

The employee cooperative action committee (ECAC) is one of the committees that accomplishes its charter. In addition to providing another channel of communication between management and hourly wage employees, the committee actually does accomplish projects that are beneficial to the hospital, employees and community. I was impressed with the professionalism displayed by the members of this committee.

Generally one of the biggest complaints by employees is that they never know what's going on in the facility. Good Sam has several regular publications to foster better communication (E,41-42,50-54). In addition Good Sam has an orientation program (E,34-36) to get employees started off on the right foot. This,

in conjunction with the employee and supervisor's handbooks (E,37-42) give the employees a solid basis for their employment at Good Sam.

Another method to encourage communication is the patient action line. This is used, in addition to the patient evaluation form, to monitor performance and as a basis for action. To assure action is taken a patient/customer follow-up report (E,45-46) has been developed. This form enhances the ability to monitor trends. The final method of communication is the patient handbook (E,49), an easy to read document that conveys the very simple message to the patient that he/she is important.

DISCUSSION OF OBSERVATIONS

QUALITY MONITORS:

I was very impressed by the quality assurance department and the techniques used to monitor quality at Good Sam. Although in some cases the computer software did not appear to be responsive to their needs, the program is the best available. By computerizing physician profiles, incidents, problems, department monitors, etc. the quality assurance department reduces the pain of compliance with the hospital wide quality assurance program. The computer also allows timely analysis of trends, this feedback is essential to an effective quality assurance program.

The personnel performing quality of care reviews were conscientious and proficient in accomplishing their responsibilities. In many cases they were hindered by the lack of cooperation by the medical staff. This lack of cooperation with the quality assurance department is the biggest stumbling block to an effective quality assurance program. Until the medical staff becomes committed to the program, and its benefits, the committees etc. will be largely ineffective in promoting quality care at Good Sam.

One area that should be highlighted as having great potential for being an effective monitor of quality is the new criteria based performance appraisal. Quality is a difficult, but essential concept to measure. The integration of quality measurements into the performance appraisal is the type of visible emphasis by management that is necessary to effectively communicate the importance of quality.

QUALITY EMPHASIS:

My conversations with the chief executive officer and the chief operating officer left no doubt in my mind that quality will be one of the key attributes of Good Sam in the future. The emphasis on quality patient care and a team concept in the provision of that care is part of the agenda of top management. I do believe that better communication is going to be necessary if this

program is going to succeed. While I was at Good Sam there was a feeling among employees that top management was doing something, and it probably was a good idea; but they were being excluded. Their lack of involvement made the program suspect. Too many people recalled that the reduction in force initially was to be accomplished over a two year period; management changed its mind and it happened in two months. Management may be committed to quality, but it hasn't been effectively communicated to the employees.

What is being communicated to employees is the need to be very cost conscious. A concern for cost does not equate to a lack of concern for quality, but it does raise concerns. Examples of this emphasis can be found in two committees, the value analysis committee and the physicians resource review committee. Essentially both committees are seeking to insure that all resources are being utilized effectively and efficiently, thereby enhancing the quality of care that Good Sam can provide. But this message is not being effectively communicated to the employees.

RELATIONSHIP OF QUALITY, COST AND PRODUCTIVITY:

As previously mentioned, Good Sam has forecast the future and determined that changes needed to be made if the hospital is to survive the 1990s. Many of the changes were cost reduction measures that could

potentially have an adverse effect on the quality of care that Good Sam provides to its patients. This may not be the case; management would definitely argue that it is not, that the result has been a more effective and finely tuned organization. The real key is that there may not have been adequate discussion within the organization concerning the changes that were being made. This is not to suggest that management didn't have the right to make cuts. But based on conversations I had with individuals, people were still concerned about the future several months after the reductions had been made, and the initial employee meetings conducted. Now that the dust has settled perhaps it is time to communicate again, laying the past to rest so the new vision may be achieved.

Top management at Good Sam had just begun a process described as 'visioning' during my residency. The process was similar to that of Merrell Dow. The president and CEO in conjunction with the COO had developed some guiding principles. The management council (key executives at Good Sam) went on a retreat so that these key principles could be discussed; support by the management council was essential for successful implementation. Although the key principles were not yet finalized, they contain the following elements: (1) patient satisfaction -- back to the basics of providing quality health care, (2) maximize human potential --

employee development, (3) excellence and innovation through teamwork, (4) quality care in a cost-effective fashion, (5) share talents and energies with the community. These are excellent guidelines for the employees of Good Sam to internalize, providing a solid direction for their performance, and effectively integrating the concepts of quality, cost and productivity.

MOTIVATION TECHNIQUES:

Motivational techniques are really quite limited. The reduction in force and reorganization has had a definite impact on morale. During my brief residency management did not really appear to be cognizant of this and therefore was not taking any affirmative action. I believe that middle management is essentially waiting to see what direction top management takes in promoting the new vision. This may be a serious mistake at a time when employees are being asked to be even more committed and work harder than in the past, with no better reason than to keep their job. Part of the Good Sam commitment (E,3) is to the employees who make it all possible. It is these employees who are being neglected today while top management focuses on tomorrow.

The new vision when promulgated will be a very effective motivational tool. It is very simple, direct, and will have meaning to every employee. Part of the

problem with most mission statements and philosophies are that they are so lofty that they don't seem practical, and can't really be conceptualized. Good Sam is avoiding that pitfall, and is developing a workable set of principles. To be effective as a motivational tool these principles will need to be communicated to the employees, from top management down, in all phases of operations.

RECOMMENDATIONS

I was very impressed with the management team at Good Sam. The task of trying to be successful in the healthcare environment today is a difficult one, albeit exciting. The team is fairly young both in age and experience, bringing with it the dreams and vitality of youth. The culture shift that Good Sam is envisioning is forecast to take at least three years and will involve an increased emphasis on quality, people building and flattening the bureaucracy. Many of my observations were made during a period of transition and may have been resolved. The following recommendations are based on my observations during my brief residency.

SURVEY:

Even though the staff of Good Sam has undergone a very stressful year, I think that a survey of all

personnel affiliated with the organization should be conducted. Evidently the management personnel were surveyed a year ago, more should be done. Good Sam is getting ready to embark on a major project of communicating visioning principles to the staff, yet doesn't really know what is important to the members of that staff. I'm not simply referring to paid employees, physicians, volunteers, and key supporters should be a part of the survey. Each group may have different interests, some conflicting, but that is why the survey is essential. It is better to really know the environment and what actions are necessary to achieve the goal. Good Sam would never think of embarking on a major project involving financial resources without a feasibility study. The employees, physicians and supporters are the most important resource that Good Sam has and should be treated with the same respect.

MISSION:

As previously mentioned, Good Sam has a mission statement that sets forth, rather esoterically, the purpose of the organization. The visioning process holds the promise of developing a very necessary set of principles that will better guide the day-to-day decision-making of management and the staff. In addition to these principles I think it is very important to become involved in a formal organizational

development process. Since Good Sam has reevaluated its position in the community and made an informed decision to focus on providing quality health care to the communities north of town, and is involved in other major change processes, planning for organizational development may also be appropriate. It needs to be done, my only concern is that so many changes have occurred over the past year, the employees may not be receptive.

The key is to insure that management follows through on the plans and programs that have been initiated. If management's actions are not consistent with the verbal communications then the programs will fail because of lack of commitment and credibility.

TRAINING:

Training is an area that has been sadly neglected, and is so important to insuring quality. This area at Good Sam needs to be evaluated to determine whether the resources available meet the needs of the organization. There are two specific areas that I believe should be addressed. I mentioned the need for training for those individuals assigned to positions of supervision. In addition I would recommend more structured training opportunities for those individuals assigned to mid-level management positions. The restructuring has given these individuals more responsibilities with less

available resources. To be successful these people need to be given the appropriate tools. Management training in the long run will be more cost-effective than allowing employees to fail.

In addition to management training, basic training for employees (non-nursing) should receive more emphasis. Areas do not generally have a structured training program, and therefore new employees may have to try and teach themselves the job, without knowing the actual job requirements. One method to solve this problem would be for incumbents to be required to accomplish a job and skill requirements list. This would not only help a new employee, it would also help the interview process. This in addition to a continuity folder would facilitate the orientation of a new employee. Technical employees should also be given more opportunity to improve their skills, becoming a more valuable asset to Good Sam. Often managers are hesitant to provide training to lower level employees for fear that they will not remain with the organization. In actual fact it probably builds more loyalty. As many of the Fortune 500 companies have discovered, training pays dividends.

COMMITTEES:

The committee structure at Good Sam needs to be reorganized and revitalized. Too many committees appear

to be duplicating efforts and have very little authority to actually accomplish anything. Some committees recommendations have to go through a minimum of three levels of review before anyone with authority can take action. This is absurd. No wonder there is a problem with attendance. The restructuring should ensure that the committee has the power to accomplish its mission and those members of the committees understand their responsibilities, their power and receive appropriate recognition for their efforts. In addition, especially in the area of quality assurance, physicians should be required not only to attend, but to be prepared to discuss and recommend action on patient record reviews.

Another concern about the committees as they are presently organized is the ability of all members to vote. This occurs essentially on medical staff committees with non-physician members. Individuals who have a definite stake, and expertise, in the recommendations of the committee are not allowed to vote. If this is the result of being a medical staff committee, then it should be a hospital committee instead. Many issues effect more than just the medical staff of the hospital, therefore although the medical staff should also have a vote, they should not be the only ones to vote. This is another area that would greatly improve

the morale of the non-physician staff, and is in line with the principles of getting back to basics, providing patient satisfaction, and teamwork.

COMMUNICATION:

During this period of transition Good Sam definitely needs to place more of an emphasis upon fostering better communication skills. The organization is too large, with too many special interest groups to neglect the effective transmission of information. I assume that when the new visioning process is complete, and the new principles are communicated to the employees that communication will be one of the skills used to enhance teamwork. I've mentioned it before, good communication is the key to an effective organization.

QUALITY ASSURANCE PROGRAM:

Good Sam's quality assurance program is good, it simply needs more support from the medical staff. If the medical staff would develop ownership of the program then many of the problems that face the staff of the quality assurance program would be minimized. The program is for the benefit of the patient, the medical staff, and the hospital, and this needs to be effectively communicated to the physicians. Even if the JCAHO did not require quality assurance it would still be a good idea. This is what management should

emphasize, not that the only reason it's done is because it's required. No wonder there's resistance.

This commitment by management must include additional resources. At a time when costs are being cut it is difficult to allocate additional resources to a non-revenue producing department, but if management is really committed to quality of care, it will be necessary. One area that specifically needs attention is infection control. One person cannot effectively monitor patient areas, conduct special studies, teach prevention, and act as a consultant for infectious diseases. If necessary this area should be reviewed by a consultant to insure that the necessary resources are available to do an effective job.

CHAPTER 6
CONCLUSIONS

Service industries today are characterized by high labor costs, intense competition, and an ever increasing need for customer satisfaction. Service industries in the past have been somewhat insulated from many of the forces that have faced the manufacturing industries. Historically services have been provided by locally owned and operated businesses; small organizations that typically were responsive to the needs of the employees and the customer, thus ensuring their success. There were also small service businesses that really did not need to be responsive, the consumer had no choice. The environment has changed drastically, much of it due to the increased consumerism that exists today. Service industries have become big business, and now have the same problems as big business.

Although I was not aware of it at the time I developed my residency plan each of the businesses selected was going through a period of rapid change, striving to insure survival. It was an added dimension to be able to observe organizations in transition. I was very impressed with the leadership of these organizations, their commitment to quality, and their ability to manage in the present tumultuous environment.

Service industries have always been labor intensive, in the past this was not a problem because of

the large pool of unskilled labor. This is no longer the case. Not only has the pool become smaller, potential employees' expectations have become higher and they are more selective. As a result service industries must raise wages, increase benefits, improve quality of life at the work place, and provide promotion potential in order to attract qualified employees while trying to keep costs down. Not an enviable position.

Not only are labor costs increasing, competition has increased, and customers are demanding more value for their dollar. This is probably one of the most difficult areas for service industries to respond to today. The service industries studied have generally been presumed to provide a quality service to society. In fact, there is probably a common misperception that service industries are monitored by society; I was surprised at how few quality controls really existed. Now service industries are being asked to insure quality and still remain competitive. Fortunately the manufacturing industries have recently tread this path and can provide guidance.

Hopefully service industries will learn from the mistakes that the manufacturing industries have made in the past, the tools have already been developed, and there are many gurus more than willing to assist in the transition. Unfortunately the reality is that some organizations are reinventing the wheel,

undergoing the same painful learning curve that many industries have already undergone. During my residency I observed three service-related businesses, despite their apparently different environments, their problems were remarkably similar.

The most common thread that I found in all three organizations was a need for improved communication. Related to this issue was the treatment of employees as respected individuals. At Stouffer's Hotel both these areas required a great deal of emphasis, as indicated by the poor morale of most of the employees. Good Sam placed more of an emphasis upon the employee, but was not as cognizant of communication skills. Merrell Dow's philosophy was to treat employees like adults, and emphasized communication skills. Top management in all organizations needed to become more visible to all the employees.

The need for communication cannot be underestimated when trying to encourage a quality oriented philosophy. Employees are very much aware of the environment and are sensitive both verbal and non-verbal communication. The type of communication that employees are looking for is one that potentially will cost the business money. Whether it is closing down the production line, providing complementary rooms and meals, suspending a physician from the staff or simply taking the time to walk around the organization and visit with employees,

these actions all speak of a commitment to quality that prepared statements and publications can never match.

Another important area that tended to be neglected due to the emphasis on the bottom line was training. Although all three industries recognized the need for quality, there was a traditional emphasis in solving problems retrospectively rather than through prevention. Resources were expended in inspecting for quality, not in providing adequate initial and follow-up training to insure that employees really knew how to do the job. This is an area that other industries have really focused upon, believing that training is an essential cost of doing business. It is a shortcut that service industries cannot afford to take.

In addition to an emphasis upon the employee, the customer needs to receive more attention. All three industries studied were attempting to receive feedback from their customers, but with the exception of Merrell Dow, the emphasis was upon the external customer. Employees should learn to view anyone, internally or externally, who receives that employee's services as a customer. And the focus should be on exceeding expectations rather than simply satisfying the customer. This type of philosophy will build a reputation for quality both inside and outside of the organization, building the morale of the internal customers and the loyalty of the external customers.

The final area that service industries need to focus upon is the need to develop a mission statement. The mission statement should not be developed simply for the board of directors, it should provide a focus for the organization and its employees. Merrell Dow and Good Sam are both going through this type of process. The end result should be a more cohesive organization that has a purpose. It is easier to motivate employees to work hard when they know what they're doing and why. Which leads us back to the beginning, communication.

CHAPTER 7
RECOMMENDATIONS

My recommendations echo those that I have made individually to each of the service-related organizations that I studied. There are key areas that businesses can simply not afford to neglect in today's environment. Of foremost concern should be the need to communicate more effectively with both employees and customers. Almost equally important is the need to develop a mission statement that succinctly states the business of the organization and provides guidance to the employees in decision-making. A visible commitment from top management is essential to insure that quality truly becomes the guiding spirit of the organization.

In addition to the above requirements, the following recommendations will promote quality:

1. Criteria based performance appraisal. In addition to tying the appraisal to the job description and establishing objective criteria, quality must also be measured.

2. Training program. More emphasis must be place on training the employees to do the job right the first time. Not only must the production and front-line employees be trained, but supervisors and managers should be given the tools to effectively accomplish their responsibilities.

3. Time clocks. Serious consideration should be given to another form of accountability. Time clocks and bells are degrading and reminiscent of childhood. Employees should be

respected and treated like responsible adults. If they abuse the system will still be subject to the same penalties, but as an adult, not a child.

4. Surveys. Both employee and customer surveys should be conducted on a regular basis to insure that the organization is meeting their needs. Even though the product meets all specifications, if it doesn't meet the needs or requirements of the customer than the perception is not one of quality.

The recommendations may seem simplistic, but this process really should not be complicated. What needs to be accomplished is a simplification of the organization. The external environment is becoming more complex, the internal environment needs to become flatter, with clear lines of communication, objective means of measuring the quality of the product, and a mission that is understood by all employees. This type of organization will be more flexible in adapting to the changing environment and ultimately more successful. A success that is based on a quality philosophy that meets the needs of the customer.

ABSTRACT

✓
Productivity, cost/containment and quality are the buzzwords of the 80s. Although manufacturing industries have been well aware of the importance of quality for some time, the widespread emphasis upon quality in other sectors of the economy has occurred only recently. This study deals with the emphasis upon quality by management in three service-related industries: hospitality, pharmaceutical, and healthcare.

As a result of the two-month rotation in a company representing each of the above industries, and an extensive literature review, case studies, conclusions and recommendations were compiled. The overall conclusion of this study was that an emphasis on communications is necessary for quality for service quality. Theses, (EDC)

A

APPENDIX A
METHODOLOGY DOCUMENTS

TABLE OF CONTENTS

STOUFFER DAYTON PLAZA HOTEL	1
MERRELL DOW PHARMACEUTICALS, INC.	2
GOOD SAMARITAN HOSPITAL AND HEALTH CENTER	3

Stouffer Dayton Plaza Hotel
E. Fifth Street and South Jefferson
Dayton, Ohio 45407
(513) 225-0800

General Manager
Mr. Chris Bush

Residency Mission:

To study how the hotel industry monitors the quality of the services provided.

To study the relative emphasis the organization places on quality as compared to other organizational behaviors.

To study the relationship between quality, cost and productivity.

To study the methods the organization uses to motivate employees to deliver a quality service.

Residency Methodology:

Review organizational chart.

Review committee structure.

Review mission statement.

Review employee appraisal system.

Review reward structure, i.e. what types of behaviors are being rewarded.

Review quality control methods utilized, to include: training, inspection, customer surveys, and complaints systems.

Review feedback system and use of quality control information.

Merrell-Dow Pharmaceuticals, Inc.
10123 Alliance Road
Cincinnati, Ohio 45242
(513)948-7013

Professional Relations Manager
Mr. Jack R. Statler, R.Ph.

Residency Mission:

To study how a pharmaceutical company monitors the quality of their product.

To study the relative emphasis the organization places on quality as compared to other organizational behaviors.

To study the relationship between quality, cost and productivity.

To study the methods the organization uses to motivate employees to produce a quality product.

To study how the organization develops and promotes a quality philosophy in its employees. —

Residency Methodology:

Review organizational chart.

Relative emphasis place on Quality Control.

Review committee structure.

What role does quality play in committee agendas.

Review mission statement.

How important is quality in the accomplishment of the corporate mission.

Review employee appraisal system.

Is quality a part of the appraisal system, job description, etc.

Review reward structure, i.e. what types of behaviors are being rewarded.

Review quality control methods utilized, to include:

training, inspection, customer surveys, and complaints systems.

Review feedback system and use of quality control information.

The Good Samaritan Hospital and Health Center
2222 Philadelphia Drive
Dayton, Ohio 45406
513)278-2612

Assistant Vice President-Operation
Mr. Jeffrey Peterson
Ext. 1405

Residency Mission:

To study how the hospital, or system of hospitals, monitors the quality of the services provided.

To study the relative emphasis the organization places on quality service as compared to other organizational behaviors.

To study the relationship between quality, cost and productivity.

To study the methods the organization uses to motivate employees to produce a quality service.

Residency Methodology:

Review organizational chart.

Review committee structure.

Review mission statement.

Review employee appraisal system.

Review reward structure, i.e. what types of behaviors are being rewarded.

Review quality control methods utilized, to include: quality assurance program, peer review process, credentialing procedure, patient surveys, training, and complaint systems.

Review feedback system and use of quality control information.

APPENDIX B
SELECTED ANNOTATED BIBLIOGRAPHY
OF
HEALTH CARE AND MANAGEMENT
LITERATURE

TABLE OF CONTENTS

QUALITY ASSURANCE -- BOOKS	1
QUALITY/MANAGEMENT -- BOOKS.	8
QUALITY ASSURANCE -- JOURNALS.	15
QUALITY/MANAGEMENT -- JOURNALS	40
AUDIO/VIDEO CASSETTES.	53

QUALITY ASSURANCE -- BOOKS

American Bar Association Forum Committee on Health Law. Peer Review and the Law. American Bar Association, 1986.

The book is a compilation of articles discussed at an educational symposium sponsored by the Forum Committee on Health Law on the subject of peer review. The articles include discussion of the initiation of the peer review process; legal requirements and practical solutions for conducting hearings; the responsibility of the hospital board of directors in peer review; antitrust implications; challenging PRO decisions; and protecting peer review confidentiality. An outstanding reference tool.

American Hospital Association. Quality Assurance in the Provision of Hospital Care. Reprinted from Hospitals. Vol. 48. March 1, 1974.

Articles address quality assurance concerns of practitioners in response to the enactment of Public Law 92-603, which mandated the establishment of Professional Standards Review Organizations (PSROs) 'to promote the effective, efficient, and economical delivery of health care service of proper quality.' Topics include: the JCAH quality assurance standard; education as the PSRO goal; the American Hospital Association's Quality Assurance Program; and the roles of trustees and administrators.

Interesting to read between the lines and note the almost abject fear of the health care system concerning the intervention into 'their' way of life.

American Hospital Association. Quality Assurance Program for Medical Care in the Hospital. Chicago: American Hospital Association, 1972.

One of the initial 'how-to' guides for the development of quality assurance programs in hospitals that would satisfy state, federal, JCAH, and other accreditation agency guidelines. Interesting to note that the concerns of 1972 are the same rhetoric that we hear today. The difference may be that now the medical profession is really taking the threat of further government to heart. Guidelines are divided into two programs: utilization review and medical audit.

Brook, Robert H. and Davies-Avery, Allyson. Mechanisms for Assuring Quality of U.S. Medical Care Services: Past, Present, and Future. R-1939-HEW. Santa Monica, California: The RAND Corporation, 1976.

Prepared under a grant from the Department of Health, Education, & Welfare, this book chronicles the history of quality assessment, describes current quality assurance systems (Professional Standards Review Organizations, Performance Evaluation Procedure, HMO Quality Assurance), and discusses deficiencies in these approaches. The authors conclude that additional research is necessary to develop better methods. Increased feedback of results will enable improvements and correction of deficiencies, until better methods can be developed.

Brown, J.H.U. The Health Care Dilemma: Problems of Technology in Health Care Delivery. New York: Human Sciences Press, 1978.

This book examines the influence of technology on the development of modern medical care and the health care system as it exists today, focusing on the developments outside the hospital setting. Of particular interest are the chapters on 'Control of Health Care Quality,' 'Developing Standards,' and 'The Consumer in the Health Care System.'

Carroll, Jean Gayton. Patient Care Audit Criteria: Standards for Hospital Quality Assurance. 4th ed. Homewood, Illinois: Dow Jones-Irwin, 1983.

Guide to developing a workable quality assurance plan that will satisfy the Joint Commission on Accreditation of Hospital's requirements to review the care of patients and to carry out the necessary corrective actions indicated as a result of these reviews. Provides suggested samples and criterion.

Chapman-Cliburn, Greg. Risk Management and Quality Assurance: Issues and Interactions. Chicago, Illinois: Joint Commission on Accreditation of Hospitals, 1986.

Unlike many other books on this subject, this is not a 'how-to' guide, it is a collection of multidisciplinary analyses of the RM/QA evaluation. Practical conclusions and recommendations are offered to assist in the design of an effective, integrated program.

Donabedian, Avedis. The Methods and Findings of Quality Assessment and Monitoring: An Illustrated Analysis. Explorations in Quality Assessment and Monitoring. Vol.3. Ann Arbor, Michigan: Health Administration Press, 1985.

This third volume of the Explorations series consists of a series of pictorial illustrations, each summarizing some key findings of a particular study. The book is organized into four parts: one on the definition of quality, a second on the assessment of process, a third on the assessment of outcome, either alone or in conjunction with process, and a fourth on some problems of method. This process familiarizes the reader with important milestones in the development of the field; the reader gains a critical understanding of the several methods used; and the reader learns about the factors that influence quality for better or worse. Of special interest is the Epilogue, in which Dr. Donabedian pulls together all the studies.

Egdahl, Richard H. and Gertman, Paul M., eds. Quality Health Care: The Role of Continuing Medical Education. Germantown, Maryland: Aspen Systems Corporation, 1977.

The Boston University Health Policy Institute convened a conference of national experts to discuss 'the relationship of continuing medical education to the quality of medical care.' This book is a collection of those background papers and of Boston University's synthesis of issues and recommendations emanating from the conference held in June 1976.

Included is an updated version of Clement R. Brown, Jr.'s 'Bi-Cycle' approach to quality assurance, which combines problem identification through medical audit with a set of change activities designed to correct identified problems. This model accounts for the fact that many problems of assuring quality go beyond transferring information to physicians. Often it requires confronting the difficult area of behavioral and attitudinal changes by patients and physicians, as well as changes in health care system organization and resources.

One of the policy recommendations was: 'Particular effort must be made to maximize the potential of the Professional Standards Review Organization mechanism as an educational vehicle.' Problems identified through the PSRO process could be used in both planning and evaluating continuing medical education programs.

Graham, Nancy O., ed. Quality Assurance in Hospitals: Strategies for Assessment and Implementation. Rockville, Maryland: Aspen Systems Corporation, 1982.

Excellent primer on quality assurance. Goes into great depth about the history of quality assurance, the development of various theories on how to assess quality, and methodology and criteria development. In addition, there are chapters evaluating various methods presently used and analysis of new strategies that are being proposed. The book ends with an evaluation of the efforts to date, and organizational considerations in developing quality assurance programs.

Hirshhorn, Norbert; Lamstein, Joel H.; McCormack, Jeanne; and Klein, Susan F. Quality of Care Assessment & Assurance: An Annotated Bibliography with a Point of View. Boston: G.K. Hall & Co., 1978.

The articles in this bibliography support the view that (1) quality assurance must be an organization-wide affair; (2) quality assurance must be tied to an explicit definition of what a particular health care organization is trying to accomplish which, in turn, must be appropriate to the needs of the people served by the organization; (3) the attributes of quality can be expanded into a series of criteria which may be quantified and therefore assessed; and (4) quality assurance must be an integral part of planning and managing health care systems. The bibliography is organized into four categories: Philosophy and Review, Studies of Medical Care, Methods of Assessment, and Medical Records. The authors have included comments for many of the articles.

Hershey, Nathan. Hospital-Physician Relationships: Case Studies and Commentaries on Medical Staff Problems. Rockville, Maryland: Aspen Systems Corporation, 1982.

The objective of this book is to explore the dimensions of the problems in hospital relationships with individual physicians and staff organizations. The author uses a case study method, commentary follows, pointing out legal issues and problems with medical staff by-laws, procedures, due process, etc. Areas the book specifically deals with include: physician competition leading to denial of privileges; failure to discipline staff members and follow hospital by-laws; failure of a physician to carry insurance; and euthanasia.

Jacobs, Charles M.; Christoffel, Tom H.; and Dixon, Nancy. Measuring the Quality of Patient Care: The Rationale for Outcome Audit. Cambridge, Massachusetts: Bellinger Publishing Co., 1976.

An in-depth explanation of the Joint Commission on the Accreditation of Hospitals Performance Evaluation Procedure for Auditing and Improving Patient Care (PEP).

Jessee, William F. Quality of Care Issues for the Hospital Trustee. Chicago, Illinois: Hospital Research and Educational Trust, 1985.

Dr. Jessee has developed a trustee guide that is easy to read and understand, reviewing and thereby creating an awareness of board accountability. In addition to outlining procedures for organizing reviews and evaluations of medical staff and employees without board interference, the guide looks at malpractice histories, risk management, the importance of annual evaluation of the chief executive officer, and the need for frequent appraisal of the board's own performance. An excellent guide to promote better understanding of the need to protect the hospital by accountability for quality control, and its relationship to cost containment.

Joint Commission on the Accreditation of Healthcare Organizations. AMH/88: Accreditation Manual for Hospitals. Chicago: Joint Commission on Accreditation of Healthcare Organizations, 1987.

The most current standards that quality assurance/risk management programs are being assessed against by the Joint Commission on the Accreditation of Healthcare Organizations. Although the chapter on quality assurance is rather brief, it provides references to all the areas in the hospital that are to perform quality assurance activities. Of particular interest is the chapter on medical staff.

Joint Commission on the Accreditation of Hospitals. PEP: Performance Evaluation Procedure for Auditing and Improving Patient Care. 2nd ed. Chicago: Quality Review Center, 1975.

A precise and practical step-by-step prescription for accomplishing an effective hospital patient care audit program. In addition to a detailed discussion of the audit procedure, includes information concerning data retrieval, liability for hospital review activities and credentialing. Good background information, obviously rather dated.

Monagle, John F. Risk Management: A Guide for Health Care Professionals. Rockville, Maryland: Aspen Systems Corporation, 1985.

A basic text beginning with a review of health law and describing in great detail the process of risk management, program development, loss prevention and claims handling, staff education, and program evaluation. The distinction between risk management and quality assurance is emphasized, and a separate chapter is devoted to their interrelationship. Although the text is rather basic, health care professionals not familiar with the area will find the book highly instructive.

Pena, Jesus J.; Haffner, Alden N.; Rosen, Bernard; and Light, Dwight W., eds. Hospital Quality Assurance: Risk Management and Program Evaluation. Rockville, Maryland: Aspen Systems Corporation, 1984.

Book looks at quality assurance and risk management from historical, legal and social perspectives. The relationship between cost and quality of healthcare is examined in depth. An integrated model of quality, cost and health is included, as are discussions of cost vs. quality, insurance ramifications, and the effects of competition. The series of essays relates quality assurance to program evaluation, patient records, nursing utilization review, information management, and incident reporting, providing case studies of actual experiences in various hospital settings.

Speigel, Allen D. and Kavalier, Florence. Cost Containment and DRGs -- A Guide to Prospective Payment. Owings, MD: National Health Publishing, 1986.

A prospective payment system using diagnosis related groups as a reimbursement mechanism may completely alter the health care delivery system in the United States. In addition to a primer on the new system, the book details the various implications of cost containment on the health care system. Includes a thorough discussion of the concern for quality of care today and in the future.

Turner, Gerald P. and Mapa, Joseph, eds. Humanizing Hospital Care. Toronto: McGraw-Hill Ryerson, 1979.

The theme of this book is that in hospital care, humanism and science must be inextricably intertwined. The book begins with an essay by Francis Weld Peabody, 'The Care of the Patient,' written in 1927, which remains contemporary in its

insights and queries. The articles explore vital issues from a humanistic perspective, arguing that the human, the unique, the psychological, the social, and the non-scientific value dimensions are by definition an essential and fundamental aspect of health care.

Of particular note were articles by Jay L. Lebow and Avedis Donabedian on "Consumer Assessments of the Quality of Medical Care," and "Measuring and Evaluating Hospital and Medical Care," respectively.

Williamson, John W. Assessing & Improving Health Care Outcomes: The Health Accounting Approach to Quality Assurance. Cambridge, Massachusetts: Ballinger Publishing Co., 1978.

This book details theoretical considerations relating to quality assurance concepts and requirements and proposed several approaches with a view to developing more effective strategies for assessing and improving health care. Chief among these was an outcome approach to quality assurance that would widen the traditional understanding of health care outcomes and include measurable characteristics not only of health problem outcomes, but of provider, patient, and care interaction outcomes that are now often classified as health care processes. Initial findings indicate the feasibility of the health accounting approach. Of special interest is Chapter 11, "The Implications of an Outcome Approach for the Development of Quality Assurance: Summary and Recommendations."

QUALITY/MANAGEMENT -- BOOKS

Albrecht, Karl and Zemke, Ron. Service America! Doing Business in the New Economy. Homewood, Illinois: Dow Jones-Irwin, 1985.

Service management is based on the idea of managing thousands of 'moments of truth' -- the critical incidents in which customers come into contact with the organization and form their impressions of its quality and service. This book explores the techniques used by organizations that have successfully made the service transition. The authors emphasize the idea that the individual can make a difference, and that organizations must be committed to quality and service if they want the competitive advantage.

Bennett, Addison C. Productivity and the Quality of Work Life in Hospitals. Chicago, Illinois: American Hospital Association, 1983.

This monograph emphasizes that the attitude and behavior of people are the source of an institution's ability to react to productivity. In addition to productivity being everyone's business, it is a philosophy which requires planned strategy centering around a systems approach capitalizing on human resources. This process embraces four stages: employee orientation to the process, departmental introductory sessions, continuing departmental workshops, and process maintenance activities. An excellent publication for those in a position to act as change agents in the organization.

Carlzon, Jan. Moments of Truth. Cambridge, Massachusetts: Ballinger Publishing Company, 1987.

Carlzon explains how to set a strategy, how to restructure an organization so customer needs take priority, how to motivate and communicate with frontline employees who deal most closely with customers, and how to become partners with the board of directors and the union. Carlzon's approach to leadership involves turning the organization chart upside down and delegating responsibility and authority to those who deal directly with the customer. Anecdotal in style, based on his own experiences, an entertaining and easy to read book.

Crosby, Philip B. Quality without Tears: The Art of Hassle-Free Management. New York: McGraw-Hill Book Co., 1984.

Author believes that the same quality concepts that work in manufacturing industry will

work in the service industry, both are providing the customer a 'service.' Stresses a commitment from the management team before quality improvement will work. Emphasizes that quality will improve in a 'hassle-free' environment. Defines quality as conformance to requirements; the system for causing quality is prevention, not appraisal.

Deming, W. Edwards. Quality, Productivity, and Competitive Position. Cambridge, Massachusetts: Massachusetts Institute of Technology, Center for Advanced Engineering Study, 1982.

The aim of this book is to try to explain to top management of America what their job is to improve competitive position. The 14 points of management necessary for a business to succeed follow:

(1) Create constancy of purpose toward improvement of product and service, with a plan to become competitive and to stay in business. Decide to whom top management is responsible.

(2) Adopt the new philosophy. We can no longer live with commonly accepted levels of delays, mistakes, defective materials, and defective workmanship.

(3) Cease dependence on mass inspection. Require, statistical evidence that quality is built in, to eliminate need for inspection on a mass basis.

(4) End the practice of awarding business on the basis of price tag. Depend on meaningful measures of quality, along with price. Eliminate suppliers that can not qualify with statistical evidence of quality.

(5) Find problems.

(6) Institute modern methods of training on the job.

(7) Institute modern methods of supervision of production workers. Improvement of quality will automatically improve productivity.

(8) Drive out fear, so that everyone may work effectively for the company.

(9) Break down barriers between departments.

(10) Eliminate numerical goals, posters, and slogans for the work force, asking for new levels of productivity without providing methods.

(11) Eliminate work standards that prescribe numerical quotas.

(12) Remove barriers that stand between the hourly worker and his right to pride of workmanship.

(13) Institute a vigorous program of education and retraining.

(14) Create a structure in top management that will push every day on the above 13 points.

Because there are so many people engaged in service in the U.S., improvement in our standard of living is highly dependent on better quality and productivity in service. Examples and suggestions are given for service industries, including health care.

Feigenbaum, A. V. Total Quality Control. 3rd ed. New York: McGraw-Hill Book Company, 1983.

Quality has become the single most important force leading to organizational success and company growth in national and international markets. Book contains six parts:

Part One -- 'Business Quality Management' -- Discusses the management of quality with emphasis upon companywide and plantwide activities; strategic planning that makes quality an integral factor in business planning; competitive market leadership through strong customer quality assurance; and profitability improvement, cost reduction, and return-on-investment performance from quality programs.

Part Two -- 'The Total Quality System' -- Reviews the systems approach to quality and the economics that govern cost-effective systems management.

Part Three -- 'Management Strategies for Quality' -- Discusses how quality is organized today, and considers the fundamental issues involved in organizing successfully.

Part Four -- 'Engineering Technology of Quality' -- The objective of this section is to present the three basic engineering technology areas of total quality control: quality engineering, process-control engineering, and quality-information equipment engineering.

Part Five -- 'Statistical Technology of Quality' -- Discusses the five principle areas of statistical methodology in total quality control: frequency distributions, control charts, sampling tables, special methods, and product reliability.

Part Six -- 'Applying Total Quality Control in the Company' -- The purpose of this section is to discuss applications of quality control to company problems, with emphasis on four basic areas: new-design control, incoming material control, product control, and special-process studies.

The book concludes with a summary of the basic principles of total quality. These principles are reviewed as key factors in managing an organization to assure the achievement of the

right customer quality at the right quality cost. The 40 points are a good synopsis of the entire book, and provide an effective review of important aspects of quality control.

Guaspari, John. I Know It When I See It: A Modern Fable About Quality. New York: AMACOM, American Management Association, 1985.

Fascinating story of Punctuation, Inc.'s search for quality. The bottom line is that management must become committed to a goal of quality and lead their people to that goal. The customer buys quality, not a product. The customer is buying the assurances that their expectations for that product will be met. If quality improves, productivity, profitability, and market share will go up too.

A humorous book with a serious theme. It would be a good book to give top management to read in order to set the stage for more serious, and technical, works on quality.

Guaspari, John. Theory Why: In Which the Boss Solves the Riddle of Quality. New York: AMACOM, American Management Association, 1986.

Sequel to the first story about Punctuation, Inc. Although the goal is now quality, the problem is how to achieve the goal. After many false attempts, a working definition of quality is established: quality means delivering the value that your customers paid for. By focusing attention on the customer you can improve quality, improve productivity, improve morale, improve profitability, get new technologies to market more quickly, and gain market share.

Ingle, Sud. In Search of Perfection: How to Create/Maintain/Improve Quality. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1985.

Book promotes a system for ongoing quality improvement (OQI). OQI consists of activities to create, maintain, and improve quality. These activities are carried out using the following key features of the process: (1) quality wheel, (2) self-analysis, (3) quality costs, (4) quality audits, and (5) statistical thinking. The quality wheel encompasses quality planning and policy, evaluation of new products and services, vendor evaluation, in-process quality control, quality measurements, quality training, product testing and auditing, and field quality. There are four types of quality costs: prevention, appraisal, internal failures, and external failures. The book describes in great detail the organization of this

process and gives step-by-step instruction on developing OQI for most organizations.

Ingle, Sud and Ingle, Nima. Quality Circles in Service Industries: Comprehensive Guidelines for Increased Productivity and Efficiency. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1983.

Authors discuss the benefits of quality circles in service organizations and provide a systematic, practical manner of implementing this process. Included is a chapter on the health care industry. In this chapter case studies of effective quality circles in hospitals, nursing homes, and clinics are provided. Overall a rather superficial endeavor.

Juran, J. M. and Gryna, Frank M., Jr. Quality Planning and Analysis: From Product Development through Usage. New York: McGraw-Hill Book Company, 1970.

This book is a broad-based educational textbook for preparing people to plan the quality function so that products and services will be fit for use, and to analyze quality problems to discover causes and propose remedies. The book is very detailed, and difficult to read. The important role of statistical techniques is recognized and several chapters are devoted to explanation of the nature and use of these statistical techniques as an aid in various aspects of quality planning and analysis.

Dr. Juran is a noted expert in the field of quality and this book is an illustration of the precision with which his method of improving quality is performed.

Mohr, William L. and Mohr, Harriet. Quality Circles: Changing Images of People at Work. Reading, Massachusetts: Addison-Wesley Publishing Company, 1985.

A practical, "how to do it" textbook on quality circles, based on the authors' experience. The book begins with an overview, the following chapters deal with planning, implementing, and evaluating a QC program. In addition to a discussion of the long-term benefits, the authors outline the problems and pitfalls of QCs.

Although the examples are chosen exclusively from the for-profit, large manufacturing-oriented industry, it is useful as an educational too, as a reference text, and as a source of practical advice.

Orlikoff, James E. and Snow, Anita. Assessing Quality Circles in Health Care Settings. Chicago, Illinois: American Hospital Publishing, Inc., 1984.

This book gives a practical approach to implementing quality circles in the health care setting, while admitting that quality circles may not be for everyone. The most beneficial aspect of this book is the description of real health care situations and the problem-solving activities of quality circles that address these.

Peters, Thomas J. and Waterman, Robert H., Jr. In Search of Excellence: Lessons from America's Best-Run Companies. New York: Harper & Row, Publishers, 1982.

Authors studied corporations, that according to their criteria were excellent, to try and determine what made the difference. They found eight basic practices to be characteristic of successfully managed companies:

- (1) A bias for action, for getting on with it.
- (2) Close to the customer. These companies learn from the people they serve. They provide unparalleled quality, service, and reliability--things that work and last.
- (3) Autonomy and entrepreneurship.
- (4) Productivity through people. The excellent companies treat the rank and file as the root source of quality and productivity gain.
- (5) Hands-on, value driven.
- (6) Stick to the knitting. While there were a few exceptions, the odds for excellent performance seem strongly to favor those companies that stay reasonably close to businesses they know.
- (7) Simple form, lean staff.
- (8) Simultaneous loose-tight properties. The excellent companies are both centralized and decentralized.

Although the authors talk about eight factors that appear characteristic of excellent companies, the real emphasis is on respect for people. The sections on "Quality Obsession," "Nicemanship," and "Listening to the Users" are particularly relevant from the quality assurance perspective. Interesting to read actual examples of companies committed to excellence and quality.

Peters, and Austin, Nancy. A Passion for Excellence: The Leadership Difference. New York: Random House, 1985.

Book zeroes in on the three key areas of competence that determine the long-term excellence of any organization: (1) superior service to

customers or clients; (2) constant innovation; and (3) the consistent creativity of every person in the company. In particular, the authors examine the basics of managerial success: pride in one's organization and enthusiasm for its works, 'naive customer listening', customer perception of the quality of a service or product, employee commitment and sense of ownership, internal corporate entrepreneurship, championing, and trust and vision.

The specific chapter on quality is quite short, but as the authors explain, the entire book is about quality. 'Quality is not a technique; quality, above all, is about care, people, passion, consistency, eyeball contact and gut reaction. An organization is committed to quality only when all of its managers -and therefore all of its people -- live quality.'

Skrovan, Donal J. Quality of Work Life: Perspectives for Business and the Public Sector. Reading, Massachusetts: Addison-Wesley Publishing Company, Inc. 1983.

This book is a collection of 14 monographs assembled by the American Society for Training and Development to explain the QWL concept, promote its benefits, predict its future, and provide guidance for those considering QWL programs. QWL concept generally refers to management processes that involve the worker in decisions about his job, with the goals of improving labor management relations, engaging in joint problem solving, improving productivity, and generally improving the work environment. Although not written for the health care industry it can help one view the potential benefits as well as problems of a QWL program and provides guidelines for establishing a program.

Smith, Martin R. Qualitysense: Organizational Approaches to Improving Product Quality and Service. New York: AMACOM, American Management Association, 1979.

Although the book is concerned with quality assurance primarily in manufacturing, it briefly touches upon the need for quality assurance in the service area. This book delivers great insight into problems with quality assurance programs today, and offers gameplans to develop effective quality assurance programs. Much of what the author says can be adapted to the health care arena: too much data, not enough information; too much computerization, not enough hands-on involvement; and the KISS (keep it simple, stupid) technique.

QUALITY ASSURANCE -- JOURNALS

Allen, Henry S. Jr.; Polsby, Daniel D.; and Reed, Thomas J. "Medical Staff Privileges and Radiology Contracts: Do Practice Rights Survive Hospital Contracting Decisions?" The Health Lawyer 2 (Fall 1985):5-12, 20-25.

The United States Supreme Court has recently decided that an exclusive dealing contract between a hospital and a group of anesthesiologists did not violate the antitrust laws. Article discusses the implications for radiologists, legal considerations that bear upon a radiologist's decision whether to sign an exclusive contract, the impact of his decision on his privileges, and how state laws play a part in this area.

Anderson, Herbert H. "Health Care Quality Improvement Act of 1986." The Health Lawyer 3 (Winter 1987):2, 18-19.

Article discusses court cases ruling on the antitrust liability of physicians performing peer review and the Health Care Quality Improvement Act of 1986 which was enacted by Congress on November 14, 1986. PL99-660. The Act contains three principal elements: (1) provisions for limited immunity for participants in peer review activities, (2) requirements for reporting of incidents relating to physician incompetence, and (3) the creation of a duty by hospitals to request, upon appointment and every two years thereafter, information which has been reported regarding physician competence. In depth analysis of the Act and the implications for physicians and hospitals are discussed.

Arnwine, Don. "Buyers Are Smarter, Looking for Quality." Modern Healthcare 17 (February 27, 1987):32.

A number of factors have worked together to heighten awareness of quality issues: reduced demand for inpatient care, shifts to outpatient settings, where care is not monitored as closely, growth in alternative delivery systems, employer and government initiatives to hold the line on health care costs, and health care advertising that attempts to differentiate among competing providers. To gain a better understanding of how these varied constituencies define quality, Voluntary Hospitals of America (VHA) conducted an in-depth study. From the provider perspective, the ability to objectively measure quality is the key to capturing a quality position in the marketplace.

VHA is committed to helping its hospitals, physicians, patients, purchasers and the industry as a whole respond to the need for uniform, reliable and objective measures of quality health care.

Bale, Tony. "Notes & Comment: Some Thoughts on Quality." Health/PAC Bulletin 17 (December 1986):3.

Quality of care has become a touchstone of resistance to the rapid reorganization of the health care system currently taking place in the U.S. For activists the issue is not simply ensuring access to care, but assessing the form and quality of that care.

Benson, Dale; Wilder, Barbara; and Gartner, Carole. "The QIP Form: The One-Page Quality Assurance Tool." Quality Review Bulletin 12 (March 1986):87-89.

The quality improvement plan (QIP) was developed to facilitate communication and provide services for the quality assurance committee and the quality assurance program. Although the QIP form is used to track and report all QA problems, it cannot lead to immediate resolution for all problems. If a QA problem remains unresolved past its target date, it is automatically forwarded at specified intervals up the chain of command until it ultimately reaches the board of directors. Actual experience indicates that although there are more QA problems or opportunities for improvement, this does not indicate that there are excessive problems, but that there is heightened awareness of QA issues and that the method of resolving such issues through the QIP form is working successfully.

Braff, Jeraldine; Way, Bruce B.; and Steadman, Henry J. "Incident Reporting: Evaluation of New York's Pilot Incident Logging system." Quality Review Bulletin 12 (March 1986):90-98.

The log system can be an effective management tool. It provides a system of accountability and a mechanism for identifying and correcting minor problems without encumbering the system so that it cannot deal effectively with more serious problems.

Brook, Robert H. and Appel, Francis A. "Quality-Of-Care Assessment: Choosing a Method for Peer Review." The New England Journal of Medicine 288 (June 1973): 1323-1329.

To evaluate the procedures used to assess quality of care, five peer-review methods were

compared. These methods involved judgments based on two kinds of data: what physicians did for the patients (process), and what happened to the patients (outcome). Criteria used to make judgments were either predetermined by group consensus (explicit), or selected subjectively by individual reviewers (implicit). Depending on the method, from 1.4 to 63.2 per cent of patients were judged to have received adequate care. Judgment of process using explicit criteria yielded the fewest acceptable cases. The largest differences found were between methods using different sources of data. Thus, medical care, judged with implicit criteria, was rated adequate for 23.3 per cent of the patients when process was used, and 63.2 per cent outcome was used.

Bunker, John F. and Brown, Byron Wm., Jr. "The Physician-Patient as an Informed Consumer of Surgical Services." The New England Journal of Medicine 290 (May 1974):1051-1055.

The alleged overuse of surgical services in this country is often attributed to lack of consumer knowledge. Assuming that physicians possess such knowledge, the authors examined their utilization of surgical services and compared it with that of lawyers, ministers, and businessmen. Operation rates for physicians and their spouses were found to be as high as or higher than rates for the other groups. Overall operation rates for physicians and for the other professional groups studied were estimated to be 25 to 30 per cent higher than for the country as a whole.

The authors concluded that the physician-patient as an informed consumer places a high value on surgical care. The results presented suggest that as the public becomes more fully informed, the demand for surgical services will increase.

Bynder, Herbert. "Doctors as Patients: A Study of the Medical Care of Physicians and Their Families." Medical Care 6 (March-April 1968):157-167.

The purpose of this study was to analyze the social context of the doctor and the patient, and its impact on their relationship and the quality of medical care received. The major premise of this paper is that, although physicians undoubtedly have the knowledge to choose the best possible care, their decisions are not always made on this basis. The authors found that it is only in the presence of very serious illness that the potential costs of choosing less than the best doctor tend to be high and the quality of the chosen physician increases.

When the illness is not serious, social costs of becoming a patient outweigh those of choosing a lower-quality doctor and respondent-physician tends not to choose the best one. Thus, in the scale of costs and rewards, the physician finds the loss in quality care to be less costly than the loss in rank, subordination to another physician and authority in the doctor-patient relationship.

Casarreal, Kenia M.; Mills, Jack I.; and Plant, Mary Ann. "Improving Service through Patient Surveys in a Multihospital Organization." Hospital & Health Services Administration 31 (March/April 1986):41-52.

In a multihospital system maintenance of a uniform quality of service in all the hospitals is a problem. Kaiser-Permanente established a monitoring system that actively involves hospital staffs in questionnaire modification, survey feedback, and action planning based on survey results. Administrators found results useful in problem diagnosis and management decisions.

Christianson, Jon B. and McClure, Walter. "Competition in the Delivery of Medical Care." The New England Journal of Medicine 301 (October 1979):812-818.

In this article the authors describe competition among providers in Minneapolis-St. Paul, one approach to reform of the medical-care-delivery system. They found that competition helped to reduce hospitalization, contain costs and improve access to medical services. At the same time it focused attention on consumer satisfaction with medical services, increased the range of consumer choice and gave consumers better information about providers. Although the study indicated that the conservative use of hospital resources by Twin Cities HMOs represented no threat to community health standards, they did recommend further research: a careful comparison of the quality of the medical care delivered by traditional providers and health-care plans.

Christoffel, Tom and Loewenthal, Martha. "Evaluating the quality of Ambulatory Health Care: A Review of Emerging Methods." Medical Care 15 (November 1977): 875-893.

While hospital quality evaluation activities have progressed dramatically in recent years, there has not been a comparable development and implementation of methods for the review and evaluation of ambulatory health care. Various technical problems regarding ambulatory records and

the nature of ambulatory care itself have combined to retard the evolution of review methods. These problems are discussed, as are current efforts to overcome them. The relevant issues and literature are reviewed.

The authors provide a conceptual framework for better understanding the measurement of ambulatory health care quality. A selective bibliography of literature relating specifically to ambulatory care quality evaluation is presented as a guide to further study.

Clemenahagen, Carol J. "Quality Assurance in the Hospital -Making it Work." Canadian Medical Association Journal 133 (July 1985):17-19.

Quality assurance coordinators must inspire the interest and commitment of administrators, nurses, paramedical staff and physicians. The emphasis must be on improving quality assurance methods. Recognition and consideration of five basic issues can do much to improve hospital-based quality assurance activities: (1) the temptation to try to buy an easy way out, (2) the need for a "utilization-focused" approach, (3) the need to go beyond traditional assessment strategies, (4) the need for a strong coordinating body within the hospital that has the specific responsibility for quality assurance, and (5) the need for a format that effectively coordinates information from many levels and sources.

Dietz, James W. and Phillips, James L. "The Quality Assurance Committee in the Hospital Structure." Quality Review Bulletin 6 (January 1980):8-12.

Article describes the effect of a reorganization of medical staff committees at Kaiser-Permanente Medical Center, Parma, Ohio on quality assurance activities. By separating all medical staff committees into three channels of communication, reporting to committees on education, quality assurance and systems and procedures, who then reported to the executive committee, both horizontal and vertical communication was increased. Communication between committees, and coordination on similar issues increased. The most redeeming factor in the eyes of the physicians was that time spent on committee work decreased from 700 to 300 hours per year.

Donabedian, Avedis. "Criteria and Standards for Quality Assessment and Monitoring." Quality Review Bulletin 12 (March 1986):99-108.

Dr. Donabedian discusses the criteria of quality that form the foundation of quality

assurance. It is a useful introduction to the fundamental concepts of defining, classifying and selecting criteria. Stresses the need to be very responsible in delineating standards and criteria, 'they are at once a pliant servant and an exigent master. They both command and perform.'

Donabedian, Avedis. 'The Epidemiology of Quality.' Inquiry 22 (Fall 1985):282-302.

The quality of care can be perceived to have an 'epidemiology' in that it is distributed in each of two populations, one of providers and another of clients. In this review of the pertinent literature it was found that the quality of technical care is better when practitioners have better or more training, are more specialized, and are more experienced though not too old, when they provide ambulatory care by appointment to a not overly large caseload in well-equipped premises and possibly in association with colleagues, and when they provide hospital care in larger institutions with significant teaching functions. The author found no consistent correlation between quality and age, sex, rurality, occupation, income, and ethnicity of patients, but there were enough intimations of a relation between socioeconomic disadvantage and poorer technical care to prompt careful study.

Donabedian, Avedis. 'The Quality of Medical Care.' Science 200 (May 1978):856-864.

This article classifies the major approaches to the assessment of the process and outcomes of medical care. The apparent need to safeguard and enhance the quality of care has led to the institution of mechanisms that subject care to constant review so that deficiencies may be found and corrected. The article reviews the developments that led to the involvement of the federal government in this activity through its sponsorship of professional standards review organizations (PSROs). The major features of the PSROs are described and their possible effects discussed. The author concludes that it is too early to say how the PSROs will fare, but should they fail to accomplish their objectives the pressure for more radical solutions will be difficult to resist.

Donabedian, Avedis. 'The Quality of Medical Care: A Concept in Search of a Definition.' The Journal of Family Practice 9 (August 1979):277-284.

Patient care has two components: technical and interpersonal. The quality of technical

management depends on the balance of its expected benefits and risks. The quality of the interpersonal process consists in conformity to legitimate patient expectations and to social and professional norms. A unified definition of quality can be derived by including the benefits and risks of both aspects of care.

When the patient's health and welfare are judged by professional criteria, and the cost of care is not considered, one has an 'absolutist' definition of quality. By contrast, an 'individualized' definition accepts the informed patient's valuation of the consequences of care, and includes the cost to the patient as an unwanted consequence. The 'social' definition includes monetary cost, even when not borne directly by the patient, may place a different valuation on patients and their interests, and pays attention to the social distribution of the cost and net benefits of care. Thus, the physician who wishes to do the best for each patient may be in conflict with what society dictates to be the best for all. The health care professions must resolve this moral dilemma.

Donabedian, Avedis; Wheeler, John R. C.; and Wyszewianski, Leon. 'Quality, Cost, and Health: An Integrative Model.' Medical Care 20 (October 1982):975-992.

This article presents an integrative model of the relations among health status, quality of care, and resource expenditure. It defines medical care quality in terms of outcomes, measured as the expected improvements in health status attributable to care. The consideration of how quality so defined is affected by the unconstrained, efficient use of resources for care leads to the specification of the absolutist definition of quality. Consideration of the incidence of individual and external costs and benefits of care provides the basis for distinguishing further between the individualized definition of quality which depends upon individual preferences and ability to pay, and the social definition of quality, which includes consideration of external benefits, full social costs, and preferences for the distribution of welfare. An additional distinction is made between clinical efficiency and production efficiency.

This article examines in detail the implications, for the selection of optimal strategies of care, of the three definitions of

quality (absolutist, individualized, and social) and the two types of efficiency (clinical and production).

Ente, Bruce H. 'An Assessment of Accreditation with Contingencies and the Three-Year Award Cycle.' Quality Review Bulletin 11 (March 1985):93-96.

The tri-annual accreditation award eliminates the widespread perception of one-year accreditation as a partial, provisional, or 'second class' award. Accreditation decisions can reflect the strengths and weaknesses of each facility more specifically without the stigma of 'partial' accreditation. Accreditation with contingencies has been experienced in the field as more helpful and less punitive than the previous system.

Gonnella, Joseph S. and Goran, Michael J. 'Quality of Patient Care--A Measurement of Change: The Staging Concept.' Medical Care 13 (June 1975):467-473.

A method that can be used to classify the severity of health problems and measure change in health status is described. The 'staging' concept provides a system which classifies patients with similar medical conditions into clusters useful for patient care evaluation. The method defines different levels of severity: Stage I -- disease with no complications or problem of minimal severity, Stage II -- disease with local complications or problem of moderate severity, and Stage III -- disease with systematic complications or a problem of a serious nature. Examples of the method are given and the value of the approach is described for the evaluation of the hospitalized and ambulatory patient.

Graham, Judith. 'Quality Gets a Closer Look.' Modern Healthcare 17 (February 27, 1987):20-31.

A renewed emphasis on quality of care is forcing many to consider some basic questions, such as what it is, how it's best measured and how it's achieved. The author discusses different initiatives that health care organizations (Hospital Corporation of America (HCA)), agencies (HCFA), and certification bodies (JCAH) are taking, along with business initiatives.

HCA's framework for its quality assurance initiatives was of particular interest: (1) programs to support and encourage physicians, (2) programs to help physicians communicate more effectively with patients, (3) leadership and continuing education programs for physicians, (4) commitments to finance quality research in health care, (5) development of information systems

capable of tracking quality measures, (6) commitment to act as an advocate for quality with lawmakers and health care regulators, (7) the incorporation of quality considerations in decisions regarding the purchase and use of new technology, (8) the improvement of coordination between quality assurance and risk management programs, (9) professional development and leadership programs for non-physician staff members, including nurses and administrators, (10) public relations programs focusing on quality issues, (11) the adoption of insights and techniques for quality assurance developed in the manufacturing sector.

Hays, Michael D. 'Consumers Base Quality Perceptions on Patient Relations, Staff Qualifications.' Modern Healthcare 17 (February 27, 1987):33.

Consumers are better able to form opinions about hospital quality based on attributes such as employees' caring attitudes and medical staff qualifications, according to surveys conducted for Voluntary Hospitals of America by National Research Corporation. In combining consumers' willingness to pay more for high-quality care and their growing ability to differentiate quality, four consumer groups emerge: (1) consumers who can tell the difference between the quality of care offered by hospitals and are willing to pay extra to receive care in higher-quality hospitals (10%); (2) consumers who can't tell the difference between the quality of care at hospitals but would pay more for high-quality care if they could determine which facility offers it (20%); (3) consumers who said they can recognize high-quality care but aren't willing to pay extra for it (25%); and (4) consumers who are unaware that differences in quality exist among hospitals and aren't willing to pay extra for care at a hospital that may offer better care (30%).

Heffring, Michael P.; Neilsen, E. Joanne; Szklarz, Marie J.; and Dobson, Grant S. 'High Tech, High Touch: Common Denominators in Patient Satisfaction.' Hospital & Health Services Administration 31 (March/April 1986):81-93.

The Canadian Council on Hospital Accreditation (CCHA) recognizes patient satisfaction as one of four key factors used in assessing hospital quality assurance programs. Foothills Hospital in Calgary, Alberta, developed a method of measuring patient satisfaction on an ongoing basis using market and attitude research methodology. Article describes the process of

setting up the methodology, the results of the survey, and how the survey was used as a feedback mechanism and catalyst for change.

Jessee, William F.; Munier, William B.; Fielding, Jonathan E.; and Goran, Michael J. 'PSRO: An Educational Force for Improving Quality of Care.' The New England Journal of Medicine 292 (March 1975):668-671.

The major purpose of the PSRO program is to improve the quality of medical care. Peer review is expected not only to detect problems but to analyze causes, and to develop, implement, and evaluate corrective programs. Such peer-review efforts are in themselves educational. In addition, educational programs focusing on identified deficiencies must be organized to involve individuals or groups. Article urges integration of local PSRO review activities with the educational efforts of local health facilities and organizations of all types. PSROs should provide a community-wide means for integrating patient-care review with continuing education.

Jessee, William F. 'Quality Assurance Systems: Why Aren't There Any?' Quality Review Bulletin 10 (December 1984):408-411.

Systems place too much emphasis upon 'assessment' instead of 'assurance.' 'Assessment' and 'assurance' are not synonymous. Assurance requires action to eliminate substandard performance and improve the efficacy and efficiency of the health care system. To be effective, any system for quality assurance must include three major components which are interdependent: monitoring, assessment, and improvement. A major problem of most QA programs is underdevelopment of the monitoring and improvement aspects of the system.

The author discusses the three major components and concludes that the public should also be made aware of the purposes and activities of hospital QA systems. Education in quality assurance may lead to more realistic consumer expectations of the health care system; the layman must learn to accept the limitations of medical care and assume a greater responsibility for the maintenance of his or her own health.

Kessler, Paul R. 'Organizing for Audit: How Three Hospitals Formulated Three Different Approaches to Audit Procedure.' Quality Review Bulletin 10 (December 1984):406-407.

There is more than one way a medical staff can organize its resources for quality and utilization review: non-departmental organization, departmental organization, and subspecialty organization. The size of a medical staff obviously influences its organization, but however a hospital organizes its patient care review activities, of utmost importance is the ability to perform quality and utilization review effectively and efficiently and coordinate these activities to ensure appropriate and prompt action.

Kessner, David M.; Kalk, Carolyn E.; and Singer, James. "Assessing Health Quality--The Case for Tracers." The New England Journal Of Medicine 288 (January 1973):189-194.

The basic requirements for a pragmatic evaluation method include a statement of the objectives of the program, standards to define quality of care, data on delivered care that can be compared to standards, careful attention to the nature of the measurement units, assessment of the reliability of the analysis, consideration of the cost of the method, and a plan for integrating evaluation into the organization of health services. The last requirement is the most critical. Evaluation can neither assure quality nor improve care unless it is part and parcel of the delivery system, an ongoing agent for change when change is necessary and a tool for educating providers and consumers alike to the strengths and weaknesses of the system.

In this study a set of specific health problem -- called tracers -- were selected by a set of criteria. By evaluation of the diagnostic, therapeutic, and follow-up processes of the set of tracers and the outcome of treatment, it is possible to assess the quality of routine care provided in a health care system.

Kincaid, William H. "Changing Physician Behavior: The Peer Data Method." Quality Review Bulletin 10 (August 1984):238-242.

Describes the use of the Peer Data Method (PDM) by the Physicians' Medical Care Foundation (PMCF) as a means of changing physician behavior without the trauma usually associated with such efforts. Rather than telling the physician how to practice medicine, PDM tells the physician how medicine is practiced. PDM consists of four steps: (1) screening within a given diagnosis group to identify physicians whose patients have longer average lengths of stay; (2) examining the total practice patterns of physicians, selecting for

monitoring those with longer lengths of stay overall; (3) informing the monitored physicians and asking them to examine their practice patterns; and (4) following up, measuring the change, and telling the monitored physician how they stand. A retrospective study indicated that post-PDM monitored physicians reduced their LOS by 19.77%, non-monitored physicians (but aware of PDM) decreased their LOS by 11.3%.

The following factors contribute to the effectiveness of PDM: (1) operation by physicians, (2) support from the area's medical and osteopathic leadership, (3) area-wide approach to utilization review and cost containment, (4) confidentiality of peer influence and pressure, (5) emphasis on patterns of practice rather than the care of individual patients, (6) comparison among peers within the area rather than with national norms, (7) emphasis on providing information rather than attacking specific methods of care, (8) unobtrusive collection and analysis of data, using existing systems, and (9) emphasis on improved use of cost-effective methods without endangering quality.

Kinzer, David M. "A Revival for Quality Assurance -But When?" Quality Review Bulletin 11 (November 1985):323-326.

The cost/quality equation is overbalanced on the side of cost, and a swing to a greater emphasis on quality seems inevitable. Health care professionals must identify and strive to meet the quality of care and art-of-care needs of patients in terms that both the public can understand and health care professionals can support. The initiative for renewed concern for quality care must come from the private sector.

Kotelchuck, Ronda. "And What About the Patients? Prospective Payment's Impact on Quality of Care." Health/PAC Bulletin 17 (December 1985):13-17.

Three years after implementation of Medicare's prospective payment system (PPS), no one really knows what PPS has done to quality of care. The attempt to alter medical practices through diagnosis related groups (DRGs) has elicited an outcry from elderly people, leading to a belated governmental concern with measuring and monitoring the quality of their care.

Lanham, Gary B. and Orlikoff, James E. "Full Coverage of Issues Reflects Importance of Risk Management." Hospitals 55 (April 1981):165-168.

The authors identify the roles of the quality assurance (QA), risk management (RM), and

utilization review (UR) programs. A review of literature in the 1980s indicated an increased need to integrate risk management into all QA programs to improve patient care, decrease liability, respond to the Joint Commission on Accreditation of Healthcare Organizations' (JCAHO) requirement of January 1, 1980, and use staff more efficiently. The literature on risk management focused on the integration of quality assurance and risk management activities, the importance of educating staff, and the prevention or winning of malpractice suits.

Levey, Sam. "The Rhetoric of Quality". Hospital & Health Services Administration 33 (Spring 1988):1-3.

An interesting editorial cautioning the health care industry against becoming too enamored with the latest buzzword, "quality". Mr. Levey states that "quality, like excellence . . . is neither object nor law that awaits discovery, but a scientific enterprise in which progress is influenced by individual, professional, and cultural values." He concludes that quality is not a new phenomenon, "the home base of quality exists in the most durable traditions of the healing professions."

Lipp, Carolyn S. "The Effect of the Prospective Payment System on Hospital QA/UR Systems." Quality Review Bulletin 10 (September 1984):283-287.

Article discusses the effect of PROs and PPS on hospitals' QA/UR systems. Recommends the expansion of internal QA/UR programs to successfully maintain high standards of quality of care while managing their costs. The following review system components, the minimum needed for a hospital's QA/UR program help identify and monitor potential problem areas: admissions, length of stay, ancillary services, special units, service delays, complications, discharge planning, surgery, and data analysis.

Martin, Jack D. "A Do-It-Your-Way P.S.R.O.? These Doctors Did It." Medical Economics (January 6, 1975):163-171.

This article described the establishment and functioning of the Medical Advances Institute (MAI). The MAI was authorized in 1972 in anticipation of PSRO. The first step was the formation of 26 specialty panels to develop treatment-quality criteria for the computer. At least four panels reviewed each set of criteria. The advantages of the system are: (1) standards can

be modified to fill local hospital facilities and medical customs; (2) a computer makes sure peer reviewers act on a problem after it's revealed; (3) the criteria, written for the computer by a team of computer scientists and clinicians working together, eliminate a common drawback: systems that start with medical criteria and then can't adapt them to the computer; (4) the system covers all patients, not just those on Medicare and Medicaid, so it's ready for any national health insurance program; (5) review isn't retrospective; it begins with admissions and continues through discharge; and (6) the system looks at a hospital's over-all operation, not just what the doctors do.

McDonald, Clement J. "Protocol-Based Computer Reminders, The Quality of Care and the Non-Perfectability of Man." The New England Journal of Medicine 295 (December 1976):1351-1355.

To determine whether clinical errors can be reduced by prospective computer suggestions throughout the management of simple clinical events the author monitored the responses of nine physicians to computer suggestions generated by 390 protocols in a crossover design. These protocols dealt primarily with conditions managed or caused by drugs. Physicians responded to 51% of 327 events when prompted and 22% of 385 events when not given computer suggestions. Neither level of postgraduate training nor the order in which physicians served as study and control subjects had statistically significant overall effect on the results.

It appeared that the prospective reminders do reduce errors, and that many of these errors are probably due to man's limitations as a data processor rather than to correctable human deficiencies.

McNerney, Walter J. "The Quandary of Quality Assessment." The New England Journal of Medicine 295 (December 1979):1505-1511.

Author discusses the present state of quality assurance (1976), and the historical and political influences that encouraged Congress to get involved. Believes that given the current state of the art, it is imperative to develop quality assurance on an evolutionary path while options are still open and focus is clearly on outcomes. Quality assessment must be conceptualized as a behavioral tool, not a policing mechanism; its scope must be broadened to include the total episode of illness, taking into account life-style and environmental factors, with criteria

developed and applied as close to the point of patient care as possible, within broad guidelines; it is essential to build on in-place capacities rather than to create new overlapping systems. Finally, the author recommends that the management setting within which quality assurance functions, in both the public and private sectors, must be improved.

Meyer, Chuck "Sin Boldly: Ethical Issues of DRGs." Hospital & Health Services Administration 31 (May/June 1985):83-90.

In addition to reducing access to health care by those groups most in need, the diagnosis related groups system of reimbursement results in diminished quality, health care rationing based on cost/benefit projections, and an eventual two-tiered method of health care delivery. Guidelines are offered to continue prudent fiscal management with service oriented delivery to recover the historical mission of health care provision in hospitals.

Monagle, John F. "Risk Management is Linked with Quality of Care." Hospitals 54 (September 1980):57-59.

The author focuses on the importance of risk management to quality assurance and the fulfillment of multiple responsibilities. The author also discusses ten points for the development of an effective RM program. These ten points are developed from ten questions that are included in the Joint Commission on Accreditation of Hospitals self-assessment workbook. The risk management program must be tailored to the individual hospital and although it may often be thought of in relation to insurance concerns, the program should be viewed as important in its own right as a vehicle for quality assurance.

Nutting, Paul A.; Shorr, Gregory I.; and Burkhalter, Barton R. "Assessing the Performance of Medical Care Systems: A Method and Its Application." Medical Care 19 (March 1981):281-296.

As health care becomes more differentiated, fewer people receive the majority of their care from a single source. Yet, most methods for assessing health care focus on the care provided by a single facility or group of practitioners. This article describes a method which tracks individuals through the diffuse medical care system and examines the process of care received for complete episodes of care. Through the use of tracer conditions the individual's pathway through the

system is followed and the contribution of the various system components is assessed for various functions of care, thus pinpointing deficiencies in the process of care.

This assessment method is not offered as a replacement for other methods currently available that provide an in-depth examination of specific system components. It is offered as a mechanism for detecting problems in system performance which may then be examined in more detail using the other methods.

Orlikoff, James E. and Lanham, Gary B. "Integrated Approach Improves Quality Assurance--Risk Management Activities." Hospitals 54 (September 1980):59-61.

The authors describe a QA/RM program developed by the American Hospital Association (AHA) that includes ten development points. The program, flexible enough to fit the needs of all institutions, helps provide result-oriented methodologies for ongoing assessment and for the improvement of patient care and RM functions. Eight centralized administrator functions are listed.

The ten-point management approach is as follows: (1) inform appropriate individuals, (2) establish a quality assurance work group, (3) conduct a quality assurance program inventory, (4) analyze the findings of the inventory, (5) research, if necessary, alternative approaches, methods, and data sources, (6) plan revisions in your quality assurance program, if necessary, (7) define the relationship between your quality assurance and risk management program, (8) define how your quality assurance and risk management program will be coordinated, (9) develop your quality assurance plan, and (10) develop strategies to implement your plan.

Orlikoff, James E. and Lanham, Gary B. "Why Risk Management and Quality Assurance Should Be Integrated." Hospitals 55 (June 1981):54-55.

The authors describe and compare the functions of quality assurance and risk management as defined by the AHA's Interdisciplinary Task Force of Quality Assurance and Risk Management. The advantages and disadvantages of integrating these activities in hospitals are analyzed.

The major advantage of integration is that there are limited resources available in each hospital for both quality assurance and risk management activities, and maximum use and benefit from these resources will be realized by an

integrated approach. In addition, the sources of data for both functions are the same, so that an integrated approach would prevent duplication of effort in collecting and analyzing data. Integration would facilitate the development of relevant, effective in-house education programs and establish an optimal communication link to the solution of similar problems.

Palmer, Robert S. 'Comments on a Pragmatic Route to Quality Assurance.' Quality Review Bulletin 7 (December 1981):4-5.

The author describes the role of the risk manager and explains the different backgrounds and focus of individuals working in RM rather than in QA departments. The limitations of present criteria are discussed. The authors suggest that the administrator who supervises UR and hospital certification requirements also direct the RM and QA departments. Key elements of patient care evaluation are consolidated under this arrangement, and sensitive data readily can be shared when necessary and used appropriately. Staff is aware of all functions relating to the broad aspects of quality care, and can avoid duplication of effort. All personnel can be used effectively and efficiently to accomplish the goal of optimal patient care.

Rhea, James T. 'Long-Term Improvement in Cost and Quality within Hospitals.' Hospital & Health Services Administration 31 (July/August 1986):64-73.

Article focuses on the difficult task ahead for hospitals: they must change so that the goal of providing quality care to patients is combined with the demand of payors that care be provided at a lower cost. Emphasizes the flexibility of the health care system and the need to actively involve physicians in assessing optimal standards of care for both the hospital and patient.

Rifkin, Marlene; Lynne, Charles; Williams, Richard; and Hilsenbeck, Charles. 'Managing Quality Assurance Activities in a Large Teaching Hospital.' Quality Review Bulletin 10 (December 1984):418-422.

By carefully analyzing all quality assurance related functions in a highly decentralized program, quality assurance planners at Jackson Memorial Hospital were able to develop a comprehensive quality assurance program that centralizes administrative support functions in a quality assurance department, assigns overall responsibility for implementation and evaluation of

the quality assurance program to a multidisciplinary patient care committee, and works toward the achievement of established short-term and long-range goals.

Romm, Fredric J. and Putnam, Samuel M. "The Validity of the Medical Record." Medical Care 19 (March 1981):310-315.

The medical record is the source of information for many purposes, including evaluation of the quality of care provided. Despite this reliance on the record, there have been few attempts to validate the recorded content against the verbal content of the interaction between patient and physician. In this study, the authors compared the record with verbatim transcripts of outpatient visits. Overall, 59% of units of information present in either source were found in the record. Recording was more complete for the chief complaint and information related to the patient's present illness than for other medical history. Incomplete recording of elicited information may partially explain the often low levels of performance of recommended care items found in quality-of-care studies.

Based on the findings the authors suggested that more attention be paid to improving communication about tests and therapies to patients. A further test of the adequacy of the medical record would include the relation of recording practice to how well the patient fares.

Rosen, Harry M. and Feigin, William, Sr. "Quality Assurance and Data Feedback." Health Care Management Review 8 (Winter 1983):67-74.

Author discusses the data feedback theory and the positive implications it could have for quality assurance. Data feedback is an emerging body of literature delineating principles designed to improve physician interest and cooperation in utilization of peer review activities. There are four aspects of data feedback theory that are relevant to physician participation in quality assurance activities. They are: presence of a performance gap, professional relevance of the measure, participation in measure selection and use of the measure as a positive incentive.

The author conducted interviews to determine how data generally is used by functioning quality assurance programs, and how the data feedback theory could be implemented. In order for the feedback theory to be effective in facilitating organizational change, physician interest in quality assurance activities must be stimulated.

committee members must participate more in the process of selecting topics for review, and in determining what data should be gathered. In addition, presently there is an apparent total absence of positive incentives arising from medical staff committee activities.

If committees begin to look for improvement in practices that in turn will close gaps that have been previously identified, there is some possibility that participation will be viewed positively. It is likely that when managers and physicians use feedback principles, they will be creative enough to alter their committee work to make the task of assessing quality care both professionally and intellectually rewarding.

Rutstein, David D.; Berenberg, William; Chalmers, Thomas C.; Child, Charles G., 3rd; Fishman, Alfred P.; and Perrin, Edward B. 'Measuring the Quality of Medical Care;' The New England Journal of Medicine 294 (March 1976):582-588.

Authors outline the implementation of a method of measuring the quality of medical care that counts cases of unnecessary disease and disability and unnecessary untimely deaths. Broad categories of illness are noted in which redefinition and intensive study might reveal characteristics that could serve as indices of health. They then describe how these indices of outcome can be used to determine the level of health of the general population, the effects of economic, political, and other environmental factors upon it, and to evaluate the quality of medical care provided both within and without the hospital to maintain health and to prevent and treat disease.

Smith, Jackie W. and O'Shea, Kevin P. N. 'Automated Quality of Care Evaluation Support System.' USAF Medical Service Digest 36 (Spring 1985):12-15.

The Automated Quality of Care Evaluation Support System (AQCESS) was designed to support Department of Defense (DOD) initiatives in provider credentialing, profiling, occurrence screening, QA problem status tracking, and incident reporting. The system has powerful documentation processing capabilities in three functional areas: admission and disposition, clinical record, and quality assurance. The authors discuss the advantages of AQCESS in the areas of occurrence screening, provider procedures (mortality summary), credentialing (provider profiling), incident reporting, QA problem audit tracking, blood utilization review, and its ability to perform ad

hoc reporting from existing data fields in the system to meet local information needs.

The AQCESS is an interim system that the Tri-Services Medical Information Systems is using before the DOD Composite Health Care system is installed in all DOD medical facilities in the late 1980s.

Smith, Jackie W.; Schwark, Thomas E.; and O'Shea, Kevin P. N. "Quality Assurance in the US Air Force Medical Service: The Big Picture." USAF Medical Service Digest 36 (Spring 1985):4-11.

The essential elements of a hospital quality assurance program must be specified in a written plan, and must include training and motivating medical personnel to pursue excellence in medical care. Article discusses the Air Force approach to quality assurance and critical elements of the program: quality of care assessment and peer cooperation, hospital and clinic programs, the credentials and privileges process, and the confidentiality of records.

Sapin, Samuel O.; Borok, Gerald M.; and Tabatabai, Cheryl. "A Regionwide Quality of Care Monitoring and Problem Delineation Plan." Quality Review Bulletin 10 (December 1984):412-417.

This is a detailed display of a proposed plan for a future QA system. The plan deals with regionwide review of both inpatient and outpatient care (one and one-half million subscribers at eight medical centers and 21 satellites) by Southern California Kaiser-Permanente. It would involve two levels of monitoring, one using 56 single-screening criteria to detect problems, the other consisting of in-depth investigations of problems detected. Data management and reporting and the administrative structure are also discussed.

It is anticipated that initial monitoring of patient care, followed by in-depth investigation of real or suspected problems will allow resources to be concentrated where they will be most productive, enhance effective reporting, and provide an improved management tool for the detection and correction of current and potential problems.

Starfield, Barbara; Steinwachs, Donald; Morris, Ira; Bause, George; Siebert, Stephen; and Westin, Craig. "Concordance Between Medical Records and Observations Regarding Information on Coordination of Care." Medical Care 17 (July 1979):758-766.

This study was designed to determine the extent to which the medical record contained evidence of coordination of care. Coordination of

care was defined as the recognition of information about patients from one visit to a follow-up visit. Overall, there was concordance between the medical record and independent observation of the physician-patient interaction in 70-85% of instances. However, if the information was highly salient, the record contained evidence of recognition in a much greater percentage of instances: 95% for distinctly identified problems, 83% for problems which were contained within the text of progress notes, 95% for major drugs, and 94% for abnormal tests.

The data from this study support the less direct evidence of others that the medical record adequately reflects extent of recognition of important information about patients by practitioners.

Stearns, Gerry and Fox, Leslie Ann. "A Three-Phase Plan for Integrating Quality Assurance Activities." Quality Review Bulletin 6 (January 1980):13-16.

The authors describe a plan that has been developed to streamline and integrate a hospital's QA and RM activities, assuming that a QA/RM program already exists. The authors found that activities overlapped and that reporting lines diluted efforts in most QA programs. However, the scope of patient care problems, discovered as a result of the QA/RM activities, remained the same. The three-phase plan for integrating program activities includes identifying hospital committee roles and QA specialists and strengthening the QA committee's power base.

Stearns, Gerry and Fox, Leslie Ann. "Assessing Quality Assurance and Risk Management Activities; A Profile Analysis." Quality Review Bulletin 5 (October 1979):26-29.

The authors describe an assessment technique, the "QA/RM Management Profile Analysis," and its application in a community hospital. The profile was used to analyze a hospital's QA and RM functions, committees, personnel, and reporting lines. Overlapping activities and diverse reporting routes were found to dilute the hospital's QA and RM efforts. Profile analysis can indicate sources of fragmentation and thus help administrators, medical staffs, and QA directors focus on centralizing information collection, analysis, and reporting.

Stearns, Gerry and Joseph, Eric D. "Passing JCAH Muster, or, Six Essential Ingredients for a

Successful Quality Assurance Program." Trustee 38 (June 1985):15-17.

Quality assurance deficiencies result in more contingency-based accreditation decisions than any other factor. The authors examine how trustees can ensure that their hospital's quality assurance programs meet all necessary standards.

The six essential ingredients discussed are: (1) the quality assurance monitoring program should be comprehensive, covering all areas of the hospital's services; (2) case-by-case review or simply collecting more data is not enough; (3) summary quality assurance data should be evaluated objectively, the findings judged acceptable or unacceptable, and the reason for the decision clearly documented; (4) identified problems should be addressed and actions should be appropriate to the nature and severity of the problem; (5) relevant data about physician and employee performance should be included in the reappointment and credentialing process and/or performance appraisals; and (6) the objectives, scope, organization, and effectiveness of the quality assurance program should be evaluated annually and revised as necessary.

Swartzbeck, Edna M. and Milligan, W. Lloyd. "A Comparative Study of Hospital Incidents." Nursing Management 13 (January 1982):39-43.

In two studies focusing on patient falls, incident reports revealed an alarmingly high number of falls. Findings showed that more than half of the patients were alert and oriented; medical service had more falls than surgical or psychiatric services; and a greater percentage of falls occurred from wheelchair and bed transfers than from ambulation. The article concluded that the risk manager should be a nurse knowledgeable in prevention, legalities, and developing assessment instrumentation for computer analysis.

Trandel-Korenbuk, Darlene M. and Trandel-Korenbuk, Keith M. "Malpractice and Preventive Risk Management." Nursing Administration Quarterly 7 (Spring 1983):75-79.

The authors explain why development of an RM program is an effective strategy to minimize legal risks. An RM program works with a QA program to recognize and rectify harmful situations.

The article discusses the legal accountability of nurses, the malpractice environment, risk management programs, and prevention in risk management. Inservice training and continuing education programs for physicians,

nurses and other hospital staff should be considered essential ingredients of a risk management program.

Troyer, Glenn and Salzman, Steven. "Committees Can Help Oversee Hospital's QA Activities." Hospitals 55 (June 1981):87-91.

Developing case law and the realities of hospital operations emphasize that boards of trustees must play an active role in quality assurance and risk management. Two models are described that can aid the board in overseeing the management of patient care. The board needs to make a commitment very early in the programs to provide the necessary funding for staffing and systems development for the day-to-day operations of the quality assurance and risk management functions within the hospital. Without this commitment from the hospital and the board, there is little chance that adequate programming can be developed to meet the vital quality assurance and risk management duties of the board.

Warner, Allan M. "Education for Roles and Responsibilities in Quality Assurance." Quality Review Bulletin 11 (March 1985):78-80.

The author discusses the nature and evolution of quality assurance and the implications for the QA education of health care practitioners. The ongoing task of the QA professional consists of four major parts: (1) planning, with the clinical staff's full input and approval, areas to be studied, and methodologies to be used; (2) gathering, analyzing, ordering, and displaying data in useful and appropriate ways (such as practice profiles); (3) disseminating this information to those who need it, while taking steps to ensure that it is not lost or ignored; and (4) following up on how the information is used to determine that corrective actions really work and that improvements in care are sustained.

Although the QA program may be the main data gatherer for departmental activities, the ultimate responsibility clearly lies with department chairpersons. How to prepare physicians for key roles in comprehensive quality assurance is an urgent question.

Warner, Allan M. "Education for Roles and Responsibilities in Quality Assurance: Physician Leadership." Quality Review Bulletin 11 (April 1985):111-114.

The author discusses the renewed focus of quality assurance on medical staff departmental

review and the consequent task of educating department chairpersons for leadership roles in quality assurance. With renewed attention to training physicians in QA and to providing them with well-prepared clinical information specialists and computer assistance, meaningful and useful QA activities can become a reality. Departmental chairpersons are the key to successful quality assurance programs, they must be motivated, educated, and supported.

Williams, Clemon W. "Guide to Hospital Incident Reports." Health Care Management Review 10 (Winter 1985):19-25.

Proper incident reporting in a health care institution holds the promise of isolating problem areas, procedures and personnel within an institution, thus making corrective action easier. At the same time, the incident report can serve as a weapon in defense of law suits brought against the institution.

Article discusses incident reports, methods of protecting incident reports from discovery, and the design of an incident report.

Williamson, John W. "Formulating Priorities for Quality Assurance Activity." The Journal of the American Medical Association 239 (February 1976):631-637.

Quality assurance activity seems to have had little documented impact in terms of improving patient health or reducing care costs. One reason may be the lack of a practical and effective decision process for selecting priority areas where improvement of health or any other target outcome will most likely be achieved. This article describes a structured procedure for meeting this need.

Three procedural considerations have proven important for this priority setting function: (1) selection of the most qualified priority setting team, emphasizing physicians, but including a representative group of other health professionals; (2) using formal procedures for eliciting judgments; and (3) using checklists to assure an adequate information base for generating topic ideas and analyzing their cost effectiveness.

Based on the study the author found: (1) structured group methods seem to provide improved benefits for providers and patients by stimulating internally motivated staff involvement in more creative and meaningful quality assurance activity; (2) the method broadened the perspective of participating personnel to include a more holistic and cost-effective view of problems considered for

quality assurance; (3) this process facilitates greater emphasis on prevention and health maintenance; and (4) topics selected by these methods force quality assurance attention to a variety of innovative and challenging methods for assessing and improving health care rather than single methods, such as medical audit.

Williamson, John W.; Braswell, Harriet R.; and Horn, Susan D. "Validity of Medical Staff Judgments in Establishing Quality Assurance Priorities." Medical Care 17 (April 1979):331-346.

This article describes the validation of a structured group judgment procedure to establish priorities for quality assurance activities. Validation focused on the extent to which health improvement could be documented by outcome-based projects focusing on priority topics. Predictive (criterion-related) validity was sought by analyzing five successively more stringent levels of evidence: (1) feasibility of implementing a quality assessment project with the topic areas selected by the priority procedure; (2) accuracy of identifying health deficiencies or strengths; (3) verification of establishing correctable causes of health deficiencies; (4) capability of effecting significant improvement of health deficiencies; and (5) credibility of evidence that improvement achieved is directly attributable to corrective actions taken. Predictive validity was documented at every level of analysis.

Another important strength of this study is the use of the measure of overall patient health status, in addition to health problem control status. This measure serves to provide a check on negative or unintended health damage in cases where a given health problem has apparently been solved. The validity of improvement action is thus reinforced as the measure of overall health assesses net health benefit, thereby exposing any harm or oversight inherent in any particular improvement-oriented protocol.

Although low staff motivation for quality assurance activities was anticipated, especially in fee-for-service clinics where there was considerable anxiety that quality assurance activity would threaten productivity, the validity of this fear was never documented.

QUALITY/MANAGEMENT -- JOURNALS

Aburdene, Patricia. "Re-inventing the Healthcare System." Healthcare Executive 1 (September/October 1986):22-26.

Due to the changing environment the healthcare system is being forced to quickly adapt. The economic environment is in part driving these changes, but in addition corporations (including healthcare) have new visions. They are simultaneously pro-people and pro-profit. In addition, employees are different. The author suggests that corporations invest in education in order to maximize the potential of their employees, and therefore the corporation.

Andreassen, Alan R. "Consumer Responses to Dissatisfaction in Loose Monopolies." Journal of Consumer Research 12 (September 1985):135-141.

This study tests Alber Hirschman's theories about the behavior of consumers faced with unsatisfactory performance in a "loose monopoly." The loose monopoly studied was physician care. Findings supported the theories than an elite of qualityconscious consumers would be most sensitive to product or service quality and likely to police the market. In addition, the study results indicated that the most quality-conscious and potentially vocal consumers would exercise the exit option, leaving sellers to deal with a relatively voiceless mass of consumers.

Berry, Leonard L.; Zeithaml, Valarie A.; and Parasuraman, A. "Quality Counts in Services, Too." Business Horizons 28 (May-June 1985):44-52.

Authors attempt to define the attributes that make up service quality and give recommendations on how service organizations can enhance the customer's perception of the quality of the service performed.

The ten determinants of service quality are: (1) reliability, (2) responsiveness, (3) competence, (4) access, (5) courtesy, (6) communication, (7) credibility, (8) security, (9) understanding the customer, and (10) tangibles.

The authors make the following conclusions about the concept of service quality: (1) consumer perceptions of service quality result from comparing expectations prior to receiving the service and actual experiences with the service; (2) quality evaluations derive from the service process as well as the service outcome; (3) service quality is of two types: regular and exceptions/problems; and (4) when a problem occurs,

the low contact service firm becomes a high contact firm.

In order to improve service quality a company must: identify primary quality determinants, manage customer expectations, manage evidence (shaping perceptions during and after the service), educate customers about the service, develop a quality culture in the company, automate quality, and follow up the service.

Bowles, Jerry G. 'The Quality Imperative: How Winning Companies Use Quality Improvement to Cut Costs, Increase Productivity, and Boost the Bottom Line.' Fortune 114 (September 1986):61-96.

An indication of the importance companies are placing on quality should be noted by this second annual quality advertising supplement. The search for ways to increase productivity and profitability have sent hundreds of U.S. industrial and service firms scurrying back to the basics of quality. They have rediscovered a simple principle: when a company concentrates on improving quality, other problems tend to go away. Costs are reduced, errors are prevented, products work better, and the bottom line improves.

In the new quality imperative, four major cornerstones provide the framework for the efforts of most companies: management commitment, employee involvement, appropriate use of technology, and a renewed emphasis on the customer. This supplement documents some of the activities of a diverse group of companies where quality improvement is an integral part of the way they do business.

Cleverley, William O. and Stetson, Robert L. 'In Search of Excellence: Fact or Fiction?' Hospital & Health Services Administration 30 (November/December 1985):26-47.

This study attempted to test the validity of principles of management espoused by Peters and Waterman in their book In Search of Excellence. A sample of excellent and nonexcellent hospitals was identified using financial criterion. Survey results did not provide much empirical support for the seven major attributes of excellent companies identified by Peters and Waterman. Significant differences included the following:

- Excellent hospitals have fewer and not more incentive systems
- Excellent hospitals do not tolerate failure as much as nonexcellent hospitals
- Leaders in excellent hospitals are less visible and not more visible than leaders in nonexcellent hospitals

-Excellent hospitals don't believe their hospital has a family atmosphere as often as do nonexcellent hospitals.

Although the authors acknowledged the limitations of their study they believed that their work suggests the attributes of excellent companies as characterized by Peters and Waterman do not describe excellent hospitals.

Dailey, Robert C. 'Productivity Monitoring Systems in Hospitals: A Work Group Focus.' Hospital & Health Services Administration 33 (Spring 1988):75-88.

This article proposes a system for changing employee behavior to support productivity enhancement and to align them with the hospital structures and management methods that are being dictated by growing economic pressures. The model for installing the system is comprised of three phases: problem isolation, design, and behavioral change. The major characteristics of a productivity improvement system in a hospital are: (1) delineation of productivity indicators that are employee generated and work-unit specific, (2) establishment of a plan for installing productivity indicators using team building procedures, (3) establishing a group-based reward system, (4) generating baselines for productivity indicators, and (5) managing hospitalwide ramifications of the cultural change process.

The author cautions that the productivity control program described should not be installed in hospitals that have not made basic adjustments to become more competitive in their markets, are contemplating or have recently completed a reduction in workforce, or have high turnover at the middle management level.

Easterbrook, Gregg. 'The Revolution in Medicine.' Newsweek, 26 January 1987, pp. 40-74.

Comprehensive guide to why health care costs have risen so much and why the health care system is changing so fast. Article discusses the historical significance of the health care system, the DRG revolution in New Jersey and its impact on the rest of the health care system, the aging of patients, the competition for outpatients, the pros and cons of 'doc-boxes', peer review, residency controversy, doctor vs. nurse, the concern for quality of care, the competition for patients, the malpractice issue, the HMO alternative, managed care systems, affording the best technology, controlling medical technology, and serving the poor.

The article makes recommendations on how to keep the system on track: (1) Medicaid should be replaced with a federal system similar to Medicare; (2) either everyone should be eligible for Medicare or Medicare should gradually adopt a means test; (3) catastrophic coverage should be included in Medicare and become mandatory in private insurance; (4) employers should be required to provide adequate insurance, while making everyone else eligible for Medicaid; (5) "pre-existing condition" clauses in insurance plans should be done away with; (6) federal and private insurance should extend coverage for certain precautionary tests; (7) uniform legal definitions of death and the rights of patients must be enacted; (8) the courtroom portion of malpractice should be focused on deciding the guilt or innocence of the doctor; the money-award portion should be handed over to arbitrators who would resist the emotional pressure to grant windfalls to a lucky few; (9) sanctions against incompetent doctors and sleazy health care facilities should be pitilessly enforced; (10) it should be illegal for doctors or hospitals to refuse any emergency patient, and for hospitals to transfer any indigent for other than medical reasons; and (11) and we must learn to stop fearing change in medicine, since it has almost always been for the good.

Fierman, Jaclyn. "Why Enrollment Is Up At Quality College." Fortune 111 (April 1985):170.

Philip Crosby, chairman and founder of Quality College, is a guru to corporations that find they can't compete unless they improve the quality of their products. The gospel according to Crosby is based on four concepts. The first is that quality means conformance to requirements, not goodness. The second is that defect prevention -- not inspection -- is the way to achieve quality. Third is that the only acceptable quality standard is one that tolerates zero defects, not "that's close enough." The fourth is Crosby's most effective attention-getter: he claims that the cost of poor quality -- in warranty payments, excess inventory, engineering errors, and other money eaters -- can amount to 25% of sales at manufacturing companies and up to 40% of operating costs at service companies; therefore, the measurement of quality is the price of non-conformance.

Garvin, David A. "Quality on the Line." Harvard Business Review 61 (September-October 1983):65-75.

This article is based on a thorough investigation of the air conditioning industry, comparing the quality of American and Japanese competitors. The author found that the failure rates of products from the highest-quality producers were between 500 and 1000 times less than those of products from the lowest. Japanese companies were far superior to their U.S. counterparts. He also found that companies with the highest quality also had the lowest cost of quality and increased their market share at a faster rate.

Sources of quality are: (1) programs, policies and attitudes, (2) information systems, (3) product design, (4) production and work force policies, and (5) vendor management. Top management must demonstrate through its emphasis in these areas that quality, not production quotas, is the primary goal.

Although this article pertained to a manufacturing industry, many of the recommendations will apply to the health care industry.

LeBoeuf, Michael. "Why All Executives Must Learn the Greatest Management Principle in the World." Working Woman (January 1988):70-72, 100-101.

Establishing the proper link between performance and rewards could be the single greatest key to a healthy business, and a successful management career. Managers who reward people for the right behavior get the right results. Nine rules for getting the results you need:

- (1) Reward solid solutions instead of quick fixes.
 - Evaluate people over longer periods
 - Identify goals
 - Invest in the future
 - Make money talk
- (2) Reward risk taking instead of risk avoidance
 - Use yourself as an example
 - Celebrate setbacks as well as success
 - Don't bail out risk-takers
 - Encourage smart risks, not foolish chances
- (3) Reward applied creativity instead of mindless conformity.
 - Tolerate failure
 - Create a relaxed work environment
 - Pay royalties
 - Support the fanatic
- (4) Reward decisive action, not paralysis by analysis.

- Make quick decisions a habit
- Weed away the excess issues
- Set a deadline for gathering and analyzing information
- Brainstorm
- (5) Reward smart work instead of busy work.
 - Get the right person for the right job
 - Give people the tools they need
 - Give complete explanations
 - Correct poor work habits
 - Encourage quiet time
 - Beware of procedurocrats
 - Be flexible
- (6) Reward simplification instead of needless complication.
 - Simplify structure
 - Simplify procedures
 - Simplify communication
 - Reward the simplifier
- (7) Reward quietly effective people instead of squeaky wheels.
 - Seek out quiet heroes
 - Don't grease the squeaky wheels
- (8) Reward quality work instead of fast work.
 - Train everybody
 - Reward quality
 - Ask the person who does the job how to improve it
- (9) Reward loyalty instead of turnover.
 - Provide job security
 - Keep communication lines open
 - Promote from within
 - Invest in people's long-term growth
 - Offer fair pay and benefits

Dr. LeBoeuf emphasizes that if you follow the above nine principles you will be rewarded with a productive, happy and successful staff.

Leonard, Frank S. and Sasser, W. Earl. "The Incline of Quality." Harvard Business Review 60 (September/October 1982):163-171.

Historically quality has not been an overall approach to doing business, but an after-the-fact measurement of production success in statistical terms: so many defects per thousand units, so many deviations from the specs, so high or low a rate of failure in the field. And managing quality was the responsibility of a handful of low-ranking, not very well respected measurement takers in each company. As the authors suggest, because a

demonstrated edge in quality has immense strategic value today, that archaic view of things is no longer tolerable.

Managing quality well requires attention to the quality-related implications of every decision at every stage of the product development continuum -- from design to sales. And it requires careful identification of the most effective levers for improving the quality of each product line.

For a quality program to have a real chance of success, it must have: top management's strategic support, organizational analysis, responsibility, open participation, quality calculus, quality assurance and control, training and development, and personal attributes.

A number of U.S. companies have already made tremendous progress in improving their competitive positions by discovering that higher quality and lower costs can be achieved through prudent investments in people, product design, and process improvement. The keystone of each of these success stories is that managers understand the systemic nature of quality and make a commitment to improving the quality of their company's products.

'Let the 'Big Q' be your Umbrella.' Nation's Business 74 (July 1986):70.

'Big Q' companies believe that everyone, not just the QC department, is responsible for quality. Second, they regard quality of the end product or service as only one element of a total quality organization. 'Big Q' thinking holds that every transaction engaged in by a company's people in the chain from the initial supplier to the ultimate customer has a quality dimension to it. In order to be a 'Big Q' company four basic principles must be adhered to: (1) total involvement, (2) customer involvement, (3) systematic support, and (4) continuous improvement.

According to Mark R. Arnold, director of consulting services for Organizational Dynamics, Inc., a management consulting and training company, 'quality improvement can be the ultimate integrator of your organization, the umbrella under which management can achieve some of its most critical objectives: improved product quality, lower costs, stronger customer loyalty, increased employee morale, lower unwanted turnover, higher share of market and even higher profits.'

Main, Jeremy. 'Under the Spell of the Quality Gurus.' Fortune 114 (August 1986):30-34.

Article discusses the various quality experts that business is using today to try and

improve the quality of their products and the methods they use. The gurus seem to agree on certain basic points. They believe that until top management gets permanently involved in quality, nothing will work. They set little store by robots, automation, and other gadgetry. They have little use for quality circles except as an adjunct to other methods. But beyond these basics, it is every guru for himself.

85-year-old W. Edwards Deming was virtually ignored in the U.S. for decades while the Japanese soaked up his ideas. Essentially he first shows manufacturers how to recognize the variations in a production process in order to pinpoint the sources of poor quality and then how to gradually reduce those variations. In addition, he preaches 14 points of management, which include "drive out fear," in order to improve quality.

Joseph M. Juran, 81, teaches a system of management intended to put a plant or corporation on the path to improving quality year by year. Clients begin by selecting specific annual goals and setting up teams to work on them. As the company attacks one project after another, it learns from Juran's lectures, his staff, or his tapes, the managerial approach and statistical tools it needs.

Philip B. Crosby, 60, appears to be the biggest commercial success among the gurus. While his rivals agree that he is a superbly entertaining speaker and a great motivator, they say he lacks substance -- that he can't teach the methods of achieving quality. Crosby's best-known slogan is the exhortation to achieve "zero defects." Juran and Deming would argue it is pointless, if not hypocritical, to exhort a worker on the line to turn out a perfect product when the overwhelming majority of imperfections are due to poorly designed manufacturing systems that workers can't control.

Armand V. Feigenbaum, 66, author of Total Quality Control, aims at managing so that the same statistical and engineering methods applied to production can be used throughout a company, in marketing and distribution, for example, as well as on the shop floor. Feigenbaum doesn't try so much to create managerial awareness of quality as to help a plant or company design its own system.

Main, Jeremy. "The Curmudgeon Who Talks Tough on Quality." Fortune 109 (June 1984):118-122.

At 83, W. Edwards Deming storms through corporate America delivering the same message about quality and productivity that the Japanese learned

from him 30 years ago. U.S. companies are finally listening, and paying generously for the advice.

The heart of Deming's method for achieving high quality is statistical. Every process, whether it be on the factory floor or in the office, has variations from the ideal. Deming shows clients a systematic method for measuring these variations, finding out what causes them, reducing them, and so steadily improving the process and thereby the product. The traditional quality controller in America is satisfied if a product falls within the limits of the specifications set by engineers. Deming tells them to forget the specifications and keep on improving the product by reducing variations, as the Japanese do. Deming's Point 11 says, 'Eliminate work standards that prescribe numerical quotas.' Not only do quotas disregard quality, Deming says, they put a ceiling on production. Deming believes that it will take three decades for the U.S. to match what Japan has done, about as long as the Japanese have known the work of W. Edwards Deming.

McManis, Gerald L. 'Managing Competitively: The Human Factor.' Healthcare Executive 2 (November/December 1987): 18-22.

The author discusses how to effectively develop your people to operate at their full potential in a competitive new world. Effective human resources management has a direct bearing on a corporation's success. The major trends in this area are:

- (1) Human resources programs are inextricably woven to corporate strategic initiatives.
- (2) Successful corporations invest in management development.
- (3) Incentive compensation programs are increasingly linked to achievement of corporate objectives.
- (4) Major corporations have elevated and integrated the human resources function.
- (5) Management succession is carefully planned.
- (6) Productivity improvement programs are increasing in importance.
- (7) Organizational culture, values and positive attitudes are vital to top corporate performance.

The lesson to be learned from the above trends is that successful companies have made human resources planning and development an essential part of corporate planning, and it does provide a competitive edge.

McManis, Gerald L. 'The Next Generation in Healthcare Management.' Healthcare Executive 1 (November/December 1986):46-49.

McManis Associates, Inc., a management and research consulting firm based in Washington, D.C. forecast the following changes and trends in the healthcare industry:

- (1) Healthcare will be delivered regionally, not nationally.
- (2) Local healthcare corporations that have relationships with quality physicians will experience accelerated growth.
- (3) Hospitals will continue to diversify.
- (4) Group practice will experience tremendous growth.
- (5) Preoccupation with cost will give way to an obsession with quality. A new equation may evolve: quality divided by cost equals value. 'How much quality can we render at what cost to give us value?' is the query heard most from wholesale buyers.
- (6) Healthcare management will ultimately discover the power of information technology.
- (7) The 'Hospital with a Heart' model of advertising will be replaced with product-line type positioning.
- (8) The delivery of healthcare will be capitated and indemnified.
- (9) Managing human resources in healthcare organizations will become priority one.

The author suggests that these, and other, trends need to be analyzed to insure that the reader's hospital or system is well-positioned for the future.

Parasuraman, A.; Zeithaml, Valarie A.; and Berry, Leonard L. 'A Conceptual Model of Service Quality and Its Implications for Future Research.' Journal of Marketing 49 (Fall 1985):41-50.

The attainment of quality in products and services has become a pivotal concern of the 1980s. While quality in tangible goods has been described and measured by marketers, quality in services is largely undefined and unresearched. The authors attempt to rectify this situation by reporting the insights obtained in an extensive exploratory investigation of quality in four service businesses and by developing a model of service quality. Propositions and recommendations to stimulate future research about service quality are offered.

An examination of the literature suggests three underlying themes: (1) service quality is more difficult for the consumer to evaluate than goods quality; (2) service quality perceptions result from a comparison of consumer expectations with actual service performance; and (3) quality evaluations are not made solely on the outcome of a service; they also involve evaluations of the process of service delivery.

Rossey, Gerard L. 'The Executive's Role in Ethics: The View from Business and Industry.' Healthcare Executive 2 (September/October 1987):17-21.

Executives have four responsibilities in shaping and relating organizational values:

- Develop a clear set of values based on those concepts for which the organization currently stands.
- Assure that all members of the organization know, understand and accept these values as the ultimate criteria for judging decisions and individual behavior.
- Develop commitment to values by role modeling them in their own day-to-day behavior and providing examples that illustrate their relevance to decision making.

In order to assure adherence to core values Dr. Rossey suggests establishing and enforcing a control system. The control system requires (1) clear standards, values that are operationalized, (2) incorporation into the performance appraisal, (3) timely and visible follow-up, and (4) independent upward communication. An effective value statement should make everyone feel involved, and therefore have a stake in the outcome.

Sherman, V. Clayton. 'Productivity and Performance Improvement: More than Just a Bandaid.' Healthcare Executive 2 (November/December 1987):44-47.

An interview with V. Clayton Sherman, Ed.D., president of Management House, Inc., a healthcare management consulting firm. He emphasizes that quality must be the centerpiece of a productivity program. In order to motivate employees, and therefore have a successful program, you must give them a sense of mission and a supreme goal. Productivity is a subset of quality, not the other way around. Dr. Sherman insists that the productivity program must be tied to the mission and strategic planning process. In addition he suggests the following:

-Don't buy a single factored approach to productivity, different areas may need different solutions

-Avoid buying other peoples' ideas.

-Think systematically and organization-wide.

Dr. Sherman also urges healthcare executives to put their emphasis in the future on quality, customer satisfaction, productivity, innovation, economic results, people growth, and organizational climate improvement.

Takeuchi, Hirotaka and Quelch, John A. "Quality is More than Making a Good Product." Harvard Business Review 61 (July-August 1983):139-145.

Considerations of quality until now have focused on worker motivation and the production process. But even well-designed, defect-free products can fail if they don't fit consumers' perceptions of high quality or if appropriate follow-up service is unavailable. The authors urge companies to monitor changes in consumers' views of quality and to provide after-sale service for their products. Companies can track public perceptions of quality by surveying existing and potential customers and by keeping a close watch on indicators of public taste. Before designing a customer service program, managers should conduct a customer service audit, which consists of an evaluation of a company's own services compared with competitors'. With that knowledge, companies can be assured that the services they provide are appropriate.

Wolfe, Norman S. "Tomorrow's Business Challenge: Quality, Leadership, and Culture." Healthcare Executive 1 (September/October 1986):34-39.

The author, an administrative manager for the Neely Sales Region of Hewlett-Packard discusses the 'HP Way' of quality improvement: establishing an organizational culture that motivates employees to reach their maximum potential. The beliefs that are the foundation of the 'HP Way' are:

Believe in people.

Build self-esteem.

Promote a sense of achievement.

Help each other.

Maintain open communications.

Reserve the right to make mistakes.

Promote education and training.

Provide security in employment.

Manage by using goals.

For the 'HP Way' to work for the reader, the author suggests:

-Focus on quality.

- Improve the quality of your product and services through your people.
- Realize that you have to tap the real human potential to create results.
- Set goals that are challenging, ones that force new and creative approaches.
- Give your people the resources and information they need to do the job.
- Reward the results.
- Remember that it's your attitude and your beliefs that set the tone for the culture you create. Make sure it's the one you want.

The author emphasizes that the real challenge facing tomorrow's leadership is to shift the focus from getting our people to work for our organization to getting our organizations to work for our people.

AUDIO AND VIDEO CASSETTES

Dow Managers Comment, The Right Way to Manage. Midland, Michigan: Dow Video Productions, 1986.

Subsequent to Conway's 1985 video, Dow Chemicals Inc. produced this video demonstrating how effective the program had been at Dow. The managers emphasized that top management had to be committed to the program for it to be successful. They also commented on their hesitation because they were afraid it was just another "program." This video was a nice touch, a good way to stimulate interest in this program by other divisions in the company.

Garfield, Charles. Peak Performance, The Winners' Guide for Making that Quantum Leap to the Top. Chicago, Illinois: Nightingale-Conant Corporation, 1983.

A series of 12 audio cassette sessions based on Dr. Garfield's studies on peak performance - the study of human excellence and extraordinary productivity. Some of the characteristics of a peak performer include having a mission, seeking solutions to problems, collaboration, taking risks, and setting progressively higher standards. Listening to these tapes is a very worthwhile while commuting.

Remember Me? Midland, Michigan: Dow Video Productions, 1983.

An excellent video, only 10 minutes long, with a powerful message. It follows up on Toward Excellence, designed to emphasize the message that a business's business is service to his customer. If the business doesn't pay attention to the customer, the customer will go somewhere else. If the business treats the customer as an individual, then the customer will treat the business as an individual, and return. Very effective.

The Right Way to Manage. Midland, Michigan: Dow Video Productions, 1985.

This video is probably the least professional production of William E. Conway, and his best. Conway presents his theory on how to improve quality and productivity. He doesn't provide too many details, basically just general guidelines. The program is divided into six categories: human relations, surveys, simple charts, sophisticated tools, imagineering, and industrial engineering. A very motivational presentation.

The Right Way to Manage: Creating the New Management System. Nashua, New Hampshire: Conway Quality, Inc., 1986.

Conway's program has become more professional with this production, and more complex. The bottom line on his theory is that to improve competitive advantage a business must increase quality and productivity, decrease waste. Through a system of continuous improvement there will be an impetus to action and the elimination of waste. The program now consists of seven steps: education, leadership, identify waste, human relations, training, projects, and major management directed programs.

Although the program is almost too smooth in this rendition, he does emphasize the need to devote time and money on the area of human relations and training. He stresses the need to provide individuals with the training/tools necessary to do the job. And once given the training/tools, top management must be committed to supporting the program.

Not as good as the first video, but interesting.

The Right Way to Manage: Eliminating Waste: A Methodology. Nashua, New Hampshire: Conway Quality, Inc., 1987.

Conway made at least one too many videos, and this is it. He has made more, but based on this one, I wouldn't waste my time or money on them. The biggest problem with this video was the method of presentation. The message may have been good, but I couldn't waste my time wading through the gimmicks. I felt my intelligence was insulted. On a scale of 1-10, probably a zero.

Toward Excellence. Thomas J. Peters and Zenger-Miller, Inc., 1983.

A video course based on the best seller, In Search of Excellence. Almost surprisingly, the program is good. It is essentially comprised of Tom Peters seminars espousing his theory on what makes a company excellent, with comments by experts and seminar members. The workbooks have interesting examples, but more important is the process of listening and understanding the system Peters is talking about. In addition to the videos and workbooks the course includes two audio cassettes that are to be listened to approximately a month after the course. They are excellent, perhaps even better than the videos.

The only problem with the course is that it

gives the impression that it is almost too inspiring. Peters talks about taking innovative action, getting back in touch, existing for the customer, fostering individual commitment, and instilling unique values. Very motivational, the individual thinks that he can go out and change the world; that's where the audio cassettes come into play. After the individual is back in the work environment, and experiencing difficulty, these cassettes point him in the right direction.

Definitely a program worth reviewing, adapting those concepts that are applicable to the business and its environment.

APPENDIX C
STOUFFER DAYTON PLAZA HOTEL
DOCUMENTS

TABLE OF CONTENTS

ADMINISTRATIVE RESIDENCY SCHEDULE	1
MISSION STATEMENT	3
ORGANIZATION CHARTS	4
EMPLOYMENT APPLICATION.	6
WAGE EMPLOYEE REVIEW FORM	8
SALARIED PERFORMANCE EVALUATION . . . . .	.12
EXCERPTS FROM EMPLOYEE HANDBOOK . . . . .	.16
EMPLOYEE RECOGNITION. . . . .	.20
SALES MANAGERS WEEKLY REPORT. . . . .	.23
GROUP FUNCTION EVALUATION . . . . .	.24
GUEST QUESTIONNAIRE . . . . .	.25
DAYTON PLAZA NEWSLETTER . . . . .	.27
IMPRESSIONS - STOUFFER HOTELS PUBLICATION . . . . .	.29

MAJOR BARBARA UNDERWOOD
STOUFFER DAYTON PLAZA HOTEL
ADMINISTRATIVE RESIDENCY SCHEDULE

WEEK 1

Monday:
Introduction to hotel/personnel
Personnel
Review schedule

Tuesday:
Personnel
Orientation

Wednesday:
Introduction to Rooms
Senior Assistant Manager
PBX

Thursday:
Reservations

WEEK 2

Monday:
Front Desk

Tuesday:
Night Audit

Wednesday:
Concierge/Club Floor

Thursday:
Front Desk

WEEK 3

Monday:
General Managers Convention

Tuesday:
Security

Wednesday:
Housekeeping

Thursday:
Housekeeping

WEEK 4

Senior Assistant Manager
Engineering
Security
Housekeeping

WEEK 5

Restaurant
Restaurant
Catering
Banquets

WEEK 6

Sales
Personnel
General Manager

STOUFFER HOTELS

MISSION STATEMENT

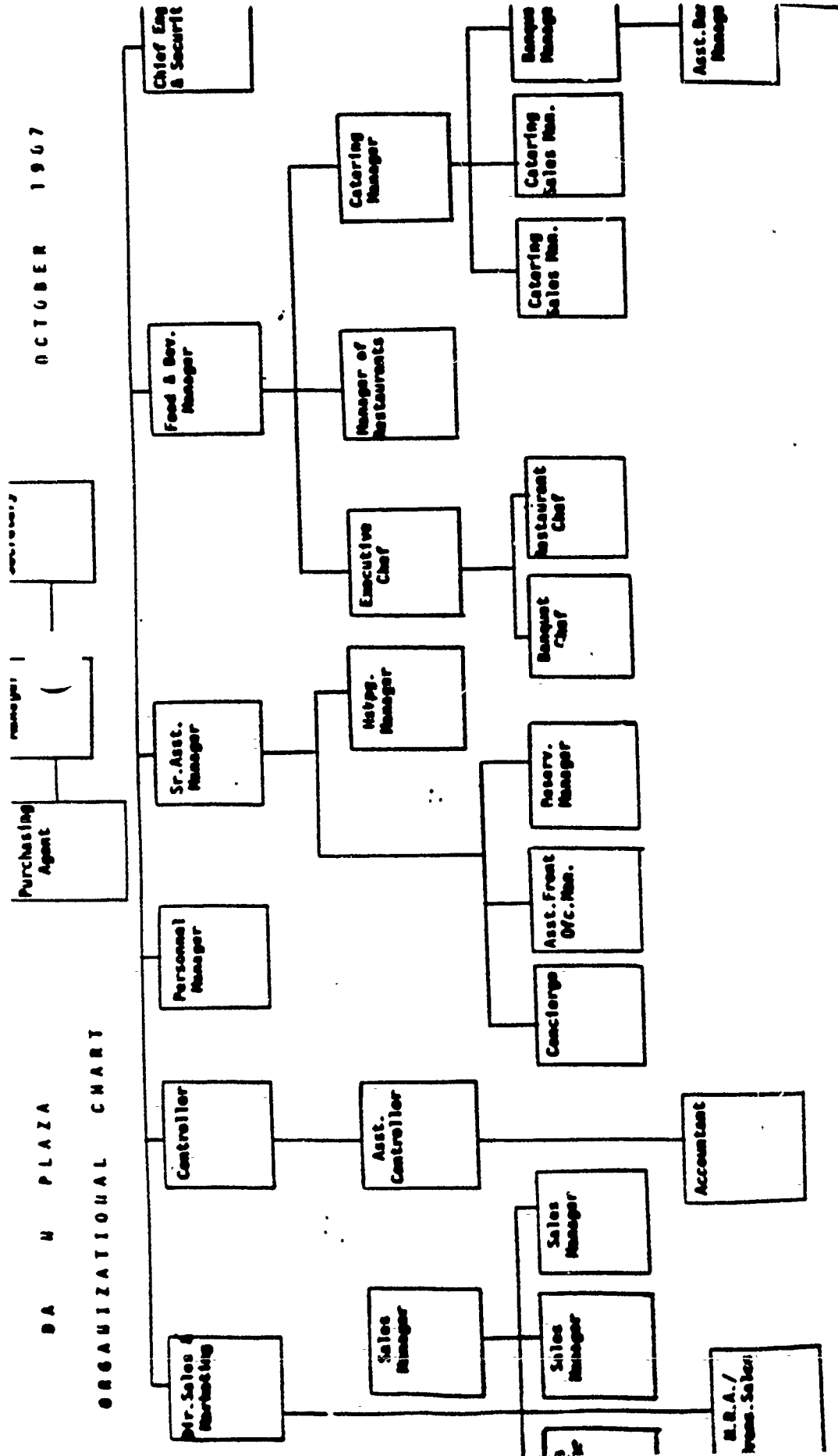
TO OWN AND/OR OPERATE QUALITY HOTELS AND RESORTS IN MAJOR CITIES, AIRPORTS, AND PRIME SUBURBAN LOCATIONS, FOCUSING ON UPSCALED INDIVIDUAL CLIENTELE, TRAVELING BUSINESSMEN AND WOMEN AND GROUP MEETINGS. TO EMPHASIZE VALUE TO OUR GUESTS THROUGH CONSISTENT SERVICES, AND THROUGH GUEST ROOM AND FOOD AND BEVERAGE EXPERTISE. TO PROVIDE A FAIR RETURN ON OUR INVESTMENT AND TO OUR EMPLOYEES, PARTNERS AND ASSOCIATES.

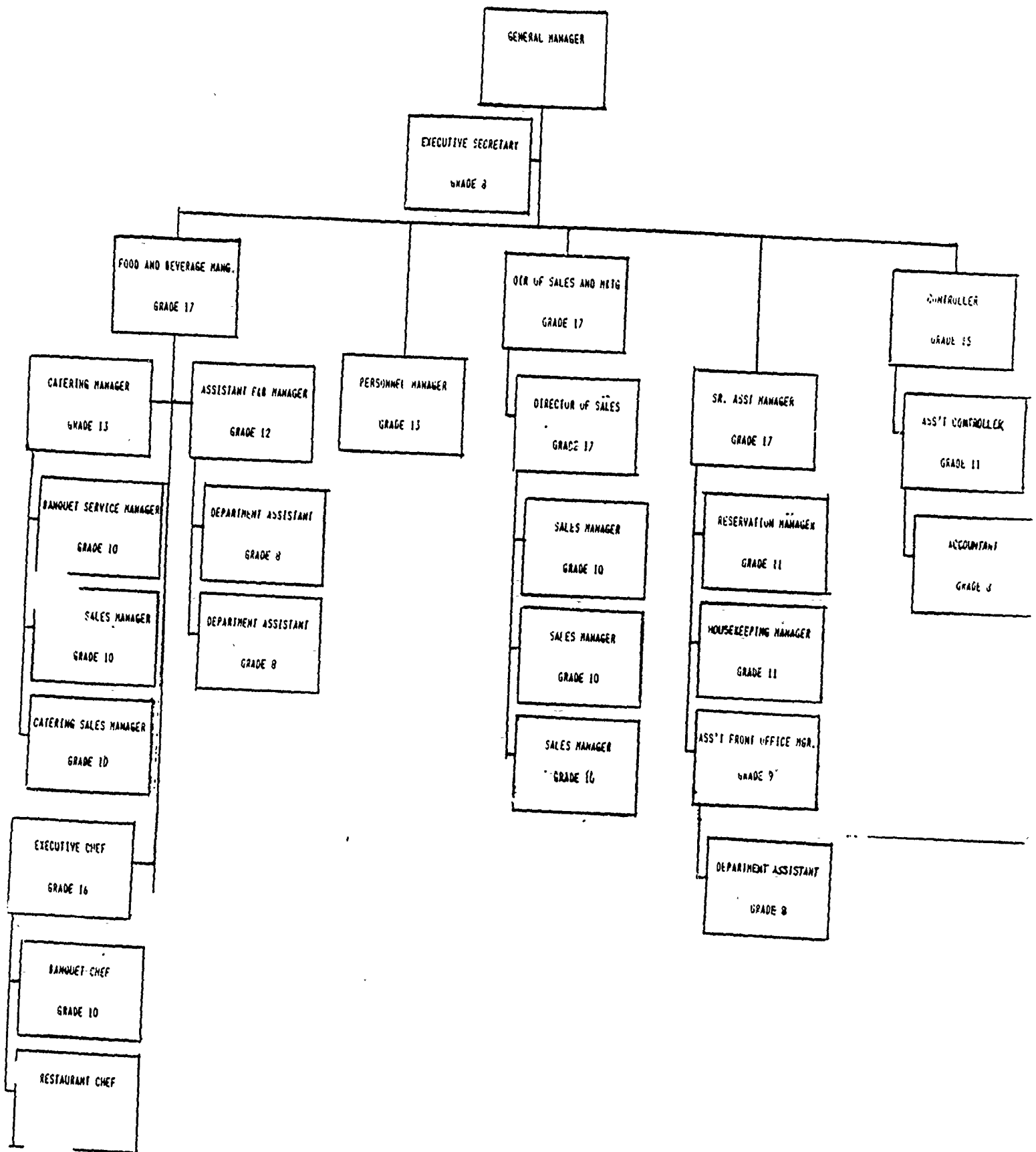
11/17/87

DA N PLAZA

OCTOBER 1967

ORGANIZATIONAL CHART





GENERAL DATA AND AVAILABILITY

ne _____ Social Security # _____
Last First Middle Initial
 Address _____ City _____ State _____ Zip _____ Phone _____

If you are applying for a position which requires you to drive, do you have a Drivers License? ☐ Yes ☐ No;
 Number _____ Class _____

CITIZENSHIP: If you are not a citizen of the United States of America, do you have a permanent resident visa card, I-94 Form, or letter from Immigration Service indicating that you are legally permitted to work in this country? ☐ Yes ☐ No If hired, are you able to show proof of status? ☐ Yes ☐ No

If under 21 years of age: List Age _____ Date of Birth _____

For employment verification we need to know have you used any other name in previous jobs? ☐ Yes ☐ No List _____

Position Desired: 1st Choice _____ 2nd Choice _____

Wage or Salary Desired: _____ per _____ Date available to start work _____

For what job status are you applying? ☐ Full Time ☐ Part Time _____ hours/week ☐ Summer ☐ School Term ☐ Other _____

The following conditions may be required at some point in a job assignment. If required, would you be willing to work:

A. Shift work? ☐ Yes ☐ No

B. Rotational work schedule? ☐ Yes ☐ No

C. Work schedule other than Monday thru Friday? ☐ Yes ☐ No

D. Overtime work? ☐ Yes ☐ No

List any scheduling problems or limitations: _____

Is your transportation reliable to meet any work schedule requirement any day of the week? ☐ Yes ☐ No

Have you ever been employed by Stouffer Hotel Company? ☐ Yes ☐ No Where _____ When _____

Reason for Leaving _____ Name of Manager _____ Position _____

How did you happen to apply? ☐ Referred by _____ ☐ Agency _____ ☐ Ad. Paper _____

☐ Employee _____ ☐ Sign _____ ☐ Passing by _____ ☐ Other _____

Do you have any relatives working here? ☐ Yes ☐ No Name _____

Department _____ Relationship _____

Do you have any physical, mental or medical impairments which could interfere with your performing in a reasonable manner the duties of the job for which you are applying? ☐ Yes ☐ No

List: _____

POLICE CONVICTION RECORD:

Have you ever been convicted of a felony? ☐ Yes ☐ No If yes, please briefly describe the circumstances of your conviction, indicating the date, nature, and place of the offense and disposition of the case. A felony conviction record will not necessarily bar you from employment since this will be looked upon as only one of the factors considered in the employment decision and is evaluated in terms of the nature, severity and date of the offense. _____

MILITARY DATA

Have you ever served in the United States Armed Forces? ☐ Yes ☐ No If so, did you acquire any special training or skills during your service? _____

EDUCATIONAL DATA

Type of School	Name & Address of School	Years Completed	Graduated	Type of Degree Diploma or Certificate	Major / Minor Field of Study
High School		8, 9, 10, 11, 12	<input type="checkbox"/> Yes <input type="checkbox"/> No		
College		1, 2, 3, 4	<input type="checkbox"/> Yes <input type="checkbox"/> No		
		1, 2, 3, 4			

EMPLOYMENT HISTORY

List most recent employers first, then follow in order with earlier ones. Explain gaps in work history of more than one month's duration. We will check references.

NAME and ADDRESS of PREVIOUS EMPLOYER	DATES WORKED				POSITION	SUPERVISOR	HOURS	RATE OF PAY	REASON FOR LEAVING
	From Mo	Yr	To Mo	Yr					
Company								Start	
Address								Finish	
City	State				If currently employed, may we contact this employer for a reference? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Phone	Explanation of employment gap:								

NAME and ADDRESS of PREVIOUS EMPLOYER	DATES WORKED				POSITION	SUPERVISOR	HOURS	RATE OF PAY	REASON FOR LEAVING
	From Mo	Yr	To Mo	Yr					
Company								Start	
Address								Finish	
City	State				Explanation of employment gap:				
Phone									

NAME and ADDRESS of PREVIOUS EMPLOYER	DATES WORKED				POSITION	SUPERVISOR	HOURS	RATE OF PAY	REASON FOR LEAVING
	From Mo	Yr	To Mo	Yr					
Company								Start	
Address								Finish	
City	State				Explanation of employment gap:				
Phone									

NAME and ADDRESS of PREVIOUS EMPLOYER	DATES WORKED				POSITION	SUPERVISOR	HOURS	RATE OF PAY	REASON FOR LEAVING
	From Mo	Yr	To Mo	Yr					
Company								Start	
Address								Finish	
City	State				Explanation of employment gap:				
Phone									

SPECIAL SKILLS

Typing _____ Shorthand _____ PBX _____ Computer _____ Data Entry _____ Word Processor _____ Other _____

REFERENCE DATA

The following person knows me and would be able to give me a personal reference.

Name _____ Address _____ City _____ State _____ Zip _____ Phone _____ Occupation _____

APPLICANT, PLEASE READ AND SIGN

I certify that the information contained in this application is correct to the best of my knowledge and understand that falsification of this information is grounds for refusal to hire or, if hired, dismissal. I authorize any of the persons or organizations referenced in this application to give you any and all information concerning my previous employment, education, or any other information they might have, personal or otherwise, with reference to the subjects covered by this application and release all such parties from all liability for any damage that may result from furnishing such information to you. I authorize you to request and receive such information in consideration for my employment and my being considered for employment by your company. I agree to conform to the rules and regulations of the company and acknowledge that these rules and regulations may be changed, interpreted, withdrawn, or added to by your company at any time, at the company's sole option and without any prior notice to me. I further acknowledge that my employment may be terminated and any offer of employment, if such is made, may be withdrawn with or without cause and with or without prior notice at any time, at the option of the company or myself. I understand that no representative of the company has any authority to enter into any agreement for employment for any specified period of time or assure or make some other personnel move, either prior to commencement of employment or after I have become employed, or to assure any benefits or terms and conditions of employment or make any agreement contrary to the foregoing. I understand that this application will remain active for employment consideration for no more than 90 days from the date it was completed.

* Stouffer Hotel Company does not discriminate in hiring or employment on the basis of race, religion, creed, national origin, sex, age, handicap or veteran status.

Applicant Signature _____

7

Date _____



WAGE EMPLOYEE PERFORMANCE REVIEW FORM

FORM PROCESSING STEPS

1. Personnel completes history, forwards form to Department Head.
2. Department Head forwards form to Manager.
3. Manager completes, forwards form to Department Head.
4. Department Head approves, forwards form to Executive Committee Member.
5. Executive Committee Member approves, returns form to Department Head.
6. Manager holds performance discussion with employee.
7. Form is returned to Director of Personnel.

Date Accomplished

HISTORY

Hotel _____ Department _____ Manager _____

Employee Name _____ # _____

Date Hired _____ Current Title _____

Last Evaluation _____ Date of this Evaluation _____

Type Review: Annual _____ 6 Mo. _____ Other _____

EMPLOYEE'S COMMENTS: _____

Signature _____ Date _____

MANAGER'S COMMENTS AFTER DISCUSSION WITH EMPLOYEE: _____

Signature _____ 8 _____ Date _____

JOB ELEMENT LIST

- II. (Both the Supervisor and the Employee should have copies of the Employee's Job Breakdown. A copy of the job element list should be attached to this page.

II. (continued) Rate the individual on the scales below on each of his/her responsibilities. The numbers on the left refer to the numbered responsibilities of the job element list from the job breakdown. (Attach additional pages as required)

The following ratings must be used to assure commonality of language consistency on overall ratings.

OUTSTANDING - Performs consistently at a level considerably above average.

ABOVE AVERAGE - Performance is such that an individual exceeds the normal expectations and is an asset to his/her work group, department and company

AVERAGE - Does everything expected and performance is generally competent and dependable.

FAIR - Performs in a generally acceptable fashion, with periodic lapses.

POOR - Performs at a level much less than required and needs considerable improvement. To remain in position, must show considerable progress by next review

JOB ELEMENT	OUTSTANDING	ABOVE AVERAGE	AVERAGE	FAIR	POOR	COMMENTS
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						

OVERALL RATING: OUTSTANDING ABOVE AVERAGE AVERAGE FAIR POOR

☐ ☐ ☐ ☐ ☐

Summary Comments: _____

III. It is a Stouffer belief that concrete action programs are the key to successful employee development. Please list action steps for those job elements that need to be improved.

[illegible]



SALARIED PERFORMANCE EVALUATION
— CONFIDENTIAL —

SECTION I INFORMATION (Print Clearly)		
Employee's Name _____	S.S. # _____	
Position Title _____	Salary Grade _____	
Hotel/Office _____		
Date Started _____	Date of Hire with Stouffer Hotels _____	
Present Position _____		
Evaluator's Name _____	Position Title _____	
Year End Review <input type="checkbox"/>	Mid-Year Review <input type="checkbox"/>	Other <input type="checkbox"/>

EVALUATION CATEGORIES

Rating Value

- | | | |
|---|-----------------------|---|
| 5 | OUTSTANDING: | Performance is consistently superior. |
| 4 | EXCEEDS EXPECTATIONS: | Performance is routinely above job requirements. |
| 3 | MEETS EXPECTATIONS: | Performance is regularly competent and dependable. |
| 2 | BELOW EXPECTATIONS: | Performance fails to meet job requirements on a frequent basis. |
| 1 | UNSATISFACTORY: | Performance is consistently unacceptable. |

SECTION II PERFORMANCE EVALUATION — PARTS A, B, C AND D

PART A — JOB RESPONSIBILITY DESCRIPTION EVALUATION

The purpose of this section is for the evaluator to review all elements of the job responsibility description of the person being evaluated to determine if the job is currently performed according to description, provide an overall assessment of the work being performed, and to update the job responsibility description to remain current with newly added or deleted segments of the job. The numerical performance rating for this section must be a single whole number.

NUMERICAL RATING: _____

COMMENTS:

_____	_____
_____	_____
_____	_____

PART B — MANAGEMENT PERFORMANCE EVALUATION

Evaluate each characteristic or trait separately. Do not let your evaluation of one area unduly influence you on another. Each category should be evaluated as a whole number rating.

Numerical Rating**1. QUALITY OF WORK (Accuracy and thoroughness of efforts)**

Comments: _____

2. QUANTITY OF WORK (Productivity and initiative to take on new work assignments)

Comments: _____

3. COMMUNICATIONS (Ability to interact both verbally and in writing with superiors, peers, subordinates, customers and guests; ability to listen effectively)

Comments: _____

4. JUDGMENT (Ability to evaluate situations and make sound decisions)

Comments: _____

5. PLANNING/ORGANIZATION SKILLS (Ability to schedule activities properly and manage time effectively)

Comments: _____

6. EMPLOYEE RELATIONS (Ability to develop and maintain a positive, motivational relationship with all employees)

Comments: _____

7. TRAINING/DEVELOPMENT (Ability to train and/or develop subordinates)

Comments: _____

INSTRUCTIONS:

Total all ratings and divide by 7. Round to the nearest tenth and enter this number in the box.

[illegible]

Multiply the percentage weight factor times the numerical rating for each objective, or grouping of objectives, and enter this number in the "Value" column. Add all numbers in the "Value" column and round to the nearest tenth. Enter this numerical rating in the box below.

11

PART D — OVERALL PERFORMANCE EVALUATION**Instructions:**

Enter rating number from Part A = _____

Enter rating number from Part B = _____

Add these two numbers = _____

Divide number above by 2 (round to nearest tenth) = _____

Enter rating number from Part C = _____

Add these two numbers = _____

Total:

Divide number above by 2 (round to nearest tenth) = _____

The individual's overall rating is the **nearest** whole number (.4 rounds down, .5 rounds up) from the number on the Total line. Enter whole number in box below.

OVERALL PERFORMANCE EVALUATION:**SECTION III COMMENTS/SIGNATURES**

Employee's comments regarding this evaluation, career goals, etc.

I have had the opportunity to review and discuss this performance evaluation.

Signature _____ Date _____

Location Information: I will relocate: ☐ Yes☐ NoI have geographical restrictions: ☐ Yes☐ No

Area Preference: _____

Evaluator's comments regarding:

Employee's Overall Performance: _____

Training/Development Needs: _____

Next Logical Position: _____

I have fully reviewed and discussed this performance evaluation with the employee.

Signature _____ Date _____

General Manager's/Corporate Supervisor's/Vice President's Comments (optional)

Signatures:

General Manager/Corporate Supervisor _____ Date _____

Vice President _____ Date _____

Forward the completed performance evaluation with all signatures and current JRD to the Corporate Human Resources Department.

YOUR EMPLOYEE HANDBOOK

This handbook has been prepared to provide you with basic information regarding your employment with Stouffer Hotels. This booklet provides general information regarding policies and procedures, and is not intended to be all-inclusive.

Should you need further clarification on any policy or procedure mentioned in the employee handbook, please see your supervisor or contact the Personnel Department.

TABLE OF CONTENTS

	<u>Page</u>
Stouffer History	
Hotel Listing	
Welcome Letter	
Hotel Layout	
Outlet Overview	
Hours of Operation	
General Personnel Policy Information	
Affirmative Action	
Open Door Policy on Problem Solving	
Your Employee Benefits	
Employee Recognition Program	
Rights and Responsibilities	
Your Paycheck	
Safety	
Personnel Department Services	
Department Heads and Their Function	
Induction Checklist	
Notes	



Welcome to the Stouffer Team....

We at Stouffer's need talented and skilled people like you. Each of us is equally important in providing the kind of guest satisfaction that brings people back again and again.

We have grown and prospered because of the close attention we give to the needs of our guests, customers, and Stouffer employees, and because of our maintenance of high standards of quality. Your contributions will help us to grow.

Again, we welcome you to the Stouffer Team and hope your career with us will be both interesting and profitable.



GUEST AWARENESS

OUR CUSTOMER IS THE MOST IMPORTANT PERSON WE KNOW.

OUR CUSTOMER IS NOT DEPENDENT ON US....WE ARE DEPENDENT UPON HIM.

OUR CUSTOMER IS NOT AN INTERRUPTION OF OUR WORK....HE IS THE PURPOSE OF IT. WE ARE NOT DOING A FAVOR BY SERVING HIM....HE IS DOING US A FAVOR BY GIVING US THE OPPORTUNITY TO DO SO.

OUR CUSTOMER IS NOT SOMEONE TO ARGUE OR MATCH WITS WITH. NOBODY EVER WON AN ARGUMENT WITH A CUSTOMER.

OUR CUSTOMER IS A PERSON WHO BRINGS US HIS WANTS. IT IS OUR JOB TO HANDLE THEM PROFITABLY TO HIM AND TO OURSELVES.

AFFIRMATIVE
ACTION

Fair Treatment

Stouffer's is a grand place to work. One of the many things that you will learn to appreciate is the fact that you will be treated fairly regardless of race, religion, color, creed, sex, age, national origin, or marital status. Stouffer's main concern is whether you work hard, are dependable, perform your job well, and are able to cooperate and work well with your co-workers. We are concerned that you follow directions carefully, show respect for your supervisors, and strive for quality at all times. Each employee has an obligation to see that our Affirmative Action Program is effective. This means that we all should help other employees, deal fairly with them, show consideration of them, regardless of race, religion, color, sex, age, national origin, or marital status.

Self Improvement

The Company has made available to employees Educational Refunds to assist them financially with courses that will help them on their jobs. Discuss the details of the program with your Hotel Director of Personnel.

Promotion From Within - Advancement

Stouffer Hotels is committed to promotion from within and you will be encouraged to advance to the limit of your ability. There will be no discrimination on account of race, religion, color, sex, age, national origin, marital or draft status. All promotions take into consideration experience, education, dependability, attitude, quantity, speed, and quality of work in addition to length of employment service.

Speaking Out

If at any time you feel you are not being treated fairly and that you are being discriminated against because of your race, religion, color, sex, age, national origin, marital or draft status, DISCUSS IT WITH YOUR SUPERVISOR FIRST, THEN YOUR MANAGER. Then if your problem is not handled to your satisfaction, our problem solving procedure should be followed (refer to "Open Door Policy on Problem Solving").

A Word About Quality

Quality is what we seek providing in service to our Stouffer Hotel guests. Quality in guest service can only be obtained through a sincere desire from all Stouffer Hotel employees to serve and please our guests. Quality is what we seek in our employees. Quality comes from men and women of all ages, colors, races, religions, and nationalities.



EMPLOYEE EXCELLENCE AWARD

Every month one employee from the Food & Beverage Department, Rooms Department, and Support Department will be selected by department managers as Department Superstar. These three employees will be invited to lunch with the Executive Committee. In addition, these three individuals will be eligible for the Employee Excellence Award. Based on the criteria listed below, the Executive Committee will select one of the monthly department Superstars to be that month's Employee Excellence Award Winner. The winner will be announced at the monthly Team Meeting and receive \$50.00 in cash plus an additional prize. They also become eligible for the Employee of the Year Award. The Employee of the Year, selected by the Executive Committee from monthly winners, will receive \$200.00 in cash and an extra week's paid vacation.

JOB PERFORMANCE:

My nominee is always good with guests, he/she works well under stress or in "pressure" situations. He/she is an expert at his job and always does good work. He/she goes beyond the call of duty in performing daily tasks. He/she knows about the hotel, not just his/her own job. He/she can take constructive criticism well.

POSITIVE ATTITUDE:

My nominee smiles all the time, is always on time and willing to work. He/she is enthusiastic about his/her job. He/she always looks good (neat, clean and in uniform). He/she is dependable. He/she wants to do a good job and wants to improve. He/she makes positive (good) suggestions and does not complain.

TEAM WORK:

My nominee gets along well with others, both co-workers and managers. He/she is willing to help out and is flexible. He/she promotes team work and is not a back-stabber.

PERSONALITY:

20

My nominee is courteous to both guests and co-workers. He/she is considerate of others. He/she is honest and sincere. He/she is an inspiration to me and other people in our department; other people want to be like him/her.

GENERAL PERSONNEL
POLICY INFORMATION

Anniversaries

You will be invited to your first anniversary party when you have five years of employment credit at Stouffer's. These parties are noted for good fellowship and fun - a sort of trademark in the Stouffer family. At your five-year anniversary, a service emblem will be presented to you. Every five years thereafter, you will receive a new service emblem indicative of your years of service. Then after you have been with us for 25 years, you will receive a beautiful diamond set into a new service emblem. These remembrances are one way of our saying a sincere thank you for your dedication, fine service, and loyalty over the years.

Star Club

When you reach your 25th anniversary, you will become a member of Star Club. New members are welcomed into the Club each year with a special company party held in their honor. It is a happy time, brimming with warmest memories. This special group of employees also receive an additional benefit package.

Statement on Unions

We respect the rights of our employees and are committed to maintaining an open and direct relationship with our people. We believe, and agree with our employees, that it is not necessary to belong to a union to maintain such a relationship.

Over the years, our direct relationship has been mutually beneficial to both our employees and the company, and has contributed to Stouffer's success. We wish to support this relationship by continuing to review and establish programs (such as our regular wage surveys, problem solving procedures, progress review program, etc.) and policies which lead to the betterment of all Stouffer people. We believe in these policies which give our employees the right to discuss problems, express dissatisfaction, and obtain all necessary help by dealing directly with their supervisors.

We do not believe it is necessary for you to have to pay dues to any outside union to act as a mediator between us, and Stouffer employees have repeatedly endorsed this same position in past elections and have shown a clear preference for the continuance of our open and direct relationship.

Employee Meetings

Periodic departmental meetings as well as quarterly hotel employee meetings are a standard Stouffer Hotel policy.

These meetings are held to communicate any operational changes and to give you general direction on Company goals and objectives. At the same time, it is an opportunity for you to bring up any job related problems or concerns that they may be experiencing.

*This is usually
covered in orientation
in a video tape.
Our Stouffer Award winners
receive \$500.*

*National Winner receives
\$500 in addition, plus
2 all expense paid weeks
At any Stouffer (not
counted against vacation).*

Vernon Stouffer Inspiration Award: Each year in November, the Hotel will choose an employee to be a candidate for this recognition award. The award, which includes an all expense-paid trip, honors extraordinary community service, exceptional service to guests, outstanding service to the Hotel or personal overcoming of extreme adversity.

Employee-of-the-Month: Every month department managers will nominate an employee from their departments to be recognized as the outstanding employee of the month. Nominees will be reviewed and voted on by the Executive Committee of the Hotel. At the end of the year, employees who have received the Employee-of-the-Month awards will be eligible for selection as the Employee-of-the-Year.

ANNIVERSARIES / SERVICE AWARDS:

Your first complete year as a Stouffer Hotels employee is very important. To recognize that occasion and express appreciation, you will be invited to a first anniversary party. Anniversary parties are full of good fellowship and are a noted trademark of the Stouffer family. On your fifth anniversary and every five years thereafter you will be presented with a Stouffer service pin designating your number of years of service.

STAR CLUB:

A beautiful diamond will be set into a new service pin for your 25th anniversary. You will be an official member of the Star Club. At a special Company dinner new Star Club members are annually welcomed and honored for their extended service and loyalty of 25 years. Star Club members also receive an additional benefits package.

SALES MANAGERS WEEKLY REPORT

PERSON _____

DATE _____

Definite Room Nights Booked 1988	_____	AGR	_____	\$	_____
Definite Room Nights Booked 1989 & Beyond	_____	AGR	_____	\$	_____
Tentative Room Nights Booked 1988	_____	AGR	_____	\$	_____
Tentative Room Nights Booked 1989 & Beyond	_____	AGR	_____	\$	_____
Definite Room Nights Reduced 1988	_____	AGR	_____	\$	_____
Definite Room Nights Reduced 1989 & Beyond	_____			\$	_____
Definite Room Nights Cancelled 1988	_____			\$	_____
Definite Room Nights Cancelled 1989 & Beyond	_____			\$	_____

ACTIVITIES:

Outside Calls	_____
House Appointments	_____
Client Entertainment	_____
Hotel Tours	_____
Phone Contacts	_____
Catering Leads	_____
Steam Leads	_____
Monthly Rn Goal	_____
MTD Actual	_____
Weekly Goal	_____
Actual	_____

Name of Hotel: _____

Name of Group: _____ Phone: _____

Address: _____ Zip: _____

Dates of Function: _____ Attendance: _____ Rooms: _____

Comments/Suggestions

GROUP SERVICE DEPARTMENT:

Pre-function arrangements

Reservation handling

Function space set-up

Supervision during event

FUNCTION SPACES:

General appearance

Equipment

Lighting and sound

Air/heat

BANQUET FUNCTIONS:

Table and room set-up

Quality of food

Quality of service

FRONT DESK EFFICIENCY:

Check in

Check out

Luggage service

GUEST ROOMS:

General appearance

Housekeeping

RESTAURANTS & LOUNGE:

Menu Selection

Quality of Beverages

Quality of food

Quality of service

Room service

HOTEL EMPLOYEES:

Sales Department

Banquet/Catering

Restaurants/Lounge

Front Desk

Hotel Switchboard

Bell Service

Hotel Management

If you were the manager of this hotel, what changes would you make to better meet the needs and comforts of your guests?

Your Name: _____

With your comments in mind, Stouffer Hotels look forward to hosting your group again in the future.

Your next meeting dates: _____

Anticipated Attendance: _____

Whom may we contact? _____

When? _____

THANK YOU

H 18 10 25 76

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



25

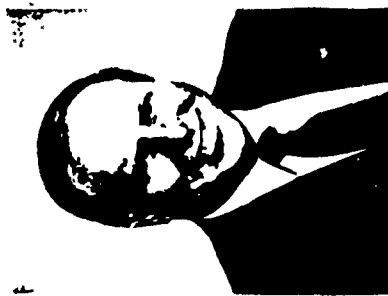
BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO. 14815 CLEVELAND, OHIO

POSTAGE WILL BE PAID BY ADDRESSEE:

Mr. William N. Hulet
President
Stouffer Hotels & Resorts
29800 Bainbridge Road
Solon, Ohio 44139



HOW WAS YOUR HOTEL STAY?



We appreciate your business and want you to be satisfied with every aspect of your stay. We recognize that our success in serving you can be a significant factor in the success of your entire trip.

Our highest priority, every day, is to provide our guests with consistently superior service. If we have failed to serve you properly in any way or simply have not measured up to your expectations, we would like to know.

This questionnaire is intended to help us evaluate our performance, especially in cases where we might have fallen short for some reason. Please take a moment at your convenience to rate our service, then return the completed questionnaire to us.

Thank you for giving us this opportunity to serve you.

Sincerely,

William N. Hulet
President, Stouffer Hotels & Resorts

Please rate the items under each of the following categories.
Blacken the appropriate box.

Front Desk	Excellent	Good	Average	Fair	Poor
Accuracy of reservation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtesy of staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check-in efficiency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check-out efficiency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:					

Guest Services	Excellent	Good	Average	Fair	Poor
Valet parking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bell service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Concierge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Laundry service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Phone service (wake up calls, messages)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Complimentary coffee/newspaper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:					

26

Guest Room/Bathroom	Excellent	Good	Average	Fair	Poor
Decor (furnishings, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cleanliness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comfort	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Properly supplied (towels, soap, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Condition of equipment (TV, lights, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Housekeeping services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:					

Room Service	Excellent	Good	Average	Fair	Poor
Menu variety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value for price paid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promptness of service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:					

Restaurant/Lounge	Excellent	Good	Average	Fair	Poor
Name					
Value for price paid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promptness of service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of beverages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Atmosphere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:					

Restaurant/Lounge	Excellent	Good	Average	Fair	Poor
Name					
Value for price paid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promptness of service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of beverages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Atmosphere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:					

General Comments	Excellent	Good	Average	Fair	Poor
Overall, how would you rate our staff's hospitality? (friendliness, courtesy, responsiveness)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall, how would you rate our hotel's public areas? (lobby, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

When you return to this area, what is the likelihood that you would stay at our Stouffer Hotel?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you stayed at this Stouffer Hotel before?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	
Overall, how would you rate our hotel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:					

Room No. _____

Arrival Date ____/____/____ Departure Date ____/____/____

How did you make your reservation?

The hotel's reservation department	<input type="checkbox"/>
Toll free 800 number	<input type="checkbox"/>
Travel agent	<input type="checkbox"/>
Other	<input type="checkbox"/>

Name	_____
Address	_____
City/State	_____ Zip _____
Phone	_____
Company/Organization	_____

WELCOME NEW EMPLOYEES

DION CRAFT	1/14/88
MICHELLE CUSTANCE	1/14/88
ELIE KACHOUH	1/15/88
JAMES HILLHOUSE	1/15/88
TODD SCHUIVAKER	1/15/88
HARRISON WILLIAMSON	2/01/88
MARGARET CORRIGAN	2/05/88
CRAIG SALMOH	2/17/88
TIM WHITE	2/17/88
MICHAEL ZIMMER	2/23/88
HAROLD TUCKER	2/23/88
WESLEY MOSLEY	2/23/88
MOSE CANNON	2/23/88
MEMIE CHALLITA	3/03/88
KATHY AMELL	3/05/88
CRAIG PAXTON	3/05/88
JENNIFER KROHKE	3/05/88
ARTHUR MURRAY	3/05/88
ROGER WHITE	3/05/88
PEGGY THOMAS	3/07/88
JOHN ARIETT	3/09/88
DEE LYKE	3/09/88
DAVID MOBLEY	3/16/88
WILLIAM TUHINSKI	3/16/88
FATHI ESBADRI	3/16/88

NAME THE NEWSLETTER TO WIN A \$100 U.S. SAVINGS BOND!!!

It is time to put the old Plaza Press premanently to bed, and to christen a new newsletter which reflects the new attitude of friendliness and hospitality running rampant at the Stouffer Dayton Plaza. In the Employee Cafeteria, you will find a new suggestion box. It is next to the new bulletin boards. Fill out the forms you will find there with your best suggestion on a name for this newsletter. All entries will be posted for all to read and enjoy. The winner will be announced at an upcoming staff meeting.

ANNOUNCING THE FIRST, LAST AND CERTAINLY THE GREATEST, "NAME THE EMPLOYEE CAFETERIA" CONTEST

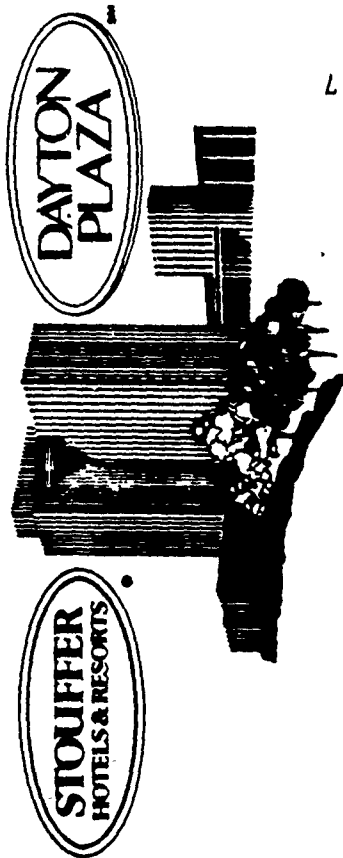
Perhaps you have noticed some changes in the old employee cafeteria. Things are organized differently, they are cleaner, they are better thanks to the efforts of Gerry Cannon, Steve Shaw, the Engineering Department, and Chris Bush.

Now it is time to name our new and improved, revised and otherwise standardized Employee Cafeteria. In the cafeteria you will find a new suggestion box. Fill out the forms you will find there with your best suggestion for a name for our employee area. All entries will be posted for all to read and enjoy. The winner of the contest will win Sunday Brunch for two at the Top of the Plaza Restaurant. If you are sick of the idea of the term "Employee Feeding", now is the time to change it.

JOIN THE MARCH OF DIMES TEAMWALK

Birth defects are the nation's most serious child health problem. They strike more than 250,000 babies in the U.S. each year and affect the daily lives of people of all ages.

HELP US FIGHT BIRTH DEFECTS! Join the March of Dimes TeamWalk, Saturday, April 23, 1988 at 9:00 a.m. Walk 25 kilometers and raise money for a worthy cause. Prizes and incentives galore. See Mary Horman or Margaret ("Oh, my aching feet!") Corrigan for details and to sign up.



THE SPIRIT OF HOSPITALITY IS ALIVE AND WELL AT THE STOUTER DAYTON PLAZA HOTEL!

Try to imagine a hotel with no smiling front desk staff to check guests in and out -- no one at the front desk at all! Now try to imagine a hotel without a single housekeeper -- no one responsible for making the guest rooms clean, safe and inviting! How about a hotel without a maintenance person -- that is to say, a hotel with no lights, water, power or heat!

Imagine a hotel with none of you! It wouldn't be a hotel at all. Instead, it would be a cold, dark, barren structure, without a trace of hospitality. Now, add back in a professional, friendly, hospitable staff....warm, courteous, helpful, and ready to serve. That is all of us -- the Dayton Plaza Hotel professional service team. After all, WE'RE the professionals who make this building a hotel.

We are teaming up with the Educational Institute of the American Hotel and Motel Association to bring a new system called THE SPIRIT OF HOSPITALITY to the Dayton Plaza Hotel. This exciting orientation and training program -- all about professionalism, teamwork, and guest relations -- will begin very shortly and will involve the entire staff of the hotel. Your supervisors will be advising you of the dates, times and locations of your training classes. I promise it will be fun, informative and valuable to you in your jobs. I will see you there.

Chris Bush

NEW AND IMPROVED EMPLOYEE OF THE MONTH PROCEDURES!!!

We are pleased to announce a program to recognize our employees of the month which also recognizes all nominees. Starting in March, each staff manager will be able to nominate one employee. After all nominations are received, the Executive Committee will vote on the winner.

Each month, the nominees will be invited to a "Meet the General Manager" luncheon. On months when there is no team meeting, it is at this luncheon that the Employee of the Month will be announced. In months when there is a team meeting, winners will be announced at that meeting. Check the "Wall of Fame" bulletin board to read about the great employees nominated for Employee of the Month!

MARCH BIRTHDAYS

Craig Salmon	March 4
John Gwynn	March 11
Tonnie Heard	March 17
Chuck Hedges	March 18
Curtis Johnson	March 22
Karen Pippins	March 25
Ron Zimmer	March 25
Charles Jackson	March 26
Gene Lane	March 26
Chuck Cerny	March 29
Dion Craft	March 29
Todd Schumaker	March 29

TAKE ME OUT TO THE BALLGAME by Slap Maxwell

Under the leadership of Ignatius Alam, Tim Villaseñor and Mike ("Put me in coach, I'm ready to play") Zimmer, the Stouffer Stompers are ready to kick off another season of CO-ED SOFTBALL.

As the host team of the Stouffer Corporation Softball Tournament, we want to field a team full of spirited players. We need both men and women who share our commitment to play at 6:00 on Wednesday nights. It is imperative that if you are interested in playing, you sign-up with Personnel.

Ladies, can we talk? The old Slapster knows that you are afraid of breaking those nails, but can you beat this as an offer for fun-filled Wednesday nights? More details in a later column about game times and results.

SIGN UP TODAY!!!

MOM'S and PAPA

Mary Williams, Robin Cunningham, and Jay Alfes are all new parents. You might want to pat the proud new parents on the back and say, "Congratulations!"

THE DIVINE PARADOX

I am happier, and I am more fulfilled in my job when I stop trying to get what I want, and I start trying to help others get what they want.



GOSSIP FROM OUR GUESTS

Our guests are talking and they are saying some mighty nice things about our employees at the Dayton Plaza:

"Your new lobby looked great and the attitude of the staff was splendid..."

"Our server...was a young lady named Donna who was exceptional. Her personality, sense of humor, and attentive service really made a difference. Donna was exceptional..."

"...I have flown from Europe to Africa and back and you ought to use this hotel as a model for your others...your food quality, cordiality and service are extremely high quality -- a totally pleasant surprise."

WAY TO GO, FOLKS! WE HAVE A HOTEL OF WHICH WE CAN BE VERY PROUD.

ANNOUNCING B-SAFE BINGO

Safety and working safely on the job is largely a matter of awareness. It is simple -- if you are conscious that you need to work safely, you probably do. Starting on Monday, April 4, 1988, Stouffer Dayton Plaza will begin a new game design to increase everyone's awareness of working safely and also to win you CASH.

The rules are simple:

- * One number will be drawn and \$5.00 added to the kitty each day Monday through Friday.

- * Numbers will be posted on the Safety Bulletin Board located in the Employee Cafeteria at Noon each day.

- * Bingo rules apply -- you win with across, up and down, diagonally, or four-corners. In case of a tie, the kitty will be split among the winners.

- * Any person sustaining a medical accident will be disqualified for the game.

- * When any medical accident occurs, there will be no number drawn the next day and no money added to the kitty.

- * Any lost time accident will end the game in progress and a new game will start the next pay period with a new kitty.

Pick up your game cards in Personnel any time after Monday, April 4th and keep checking the Safety Bulletin Board for a daily account of winners, accidents and safety promotional materials. Good luck, everyone. One card per employee.

IMPRESSIONS

A QUARTERLY PUBLICATION OF STOUTER HOTELS



VOLUME FOUR/NUMBER THREE
NINETEEN EIGHTY SEVEN



Community involvement is part of the Stouffer Hotel philosophy. At the Grand Opening party for the Stouffer Nashville Hotel, Barbara Mundrell (left) performs in a benefit for Vanderbilt University Medical Center's transplantation program. Here she is pictured with Jonathan Jones, a transplant patient, and his mother.

The participation gap" is a new buzzword that describes a breakdown of communications in our increasingly complex world.

Pollster Lou Harris coined the phrase after interviewing office workers. He observed the gap between what workers feel they are getting to their jobs and the contributions they're actually able to make.

Harris found that workers have a sense of unfulfilled expectations while their managers often underestimate issues that are of importance to the staff.

At Stouffer Hotels we value our employees. We know that no matter how beautiful a building we construct (see Nashville on pages 4-5), our success is not assured in bricks and mortar. It is the employee who interacts

with the guest, who is our most important link to success.

Recruiting, training, motivating and retaining top hotel employees is our ultimate goal. We know that our people want to be leaders. Harris found that while most employees want a challenging job, most of their bosses are unaware of this. He also found that 75 percent rated "freedom to decide how they do their own work," as very important, while just 23 percent of their managers understood this.

Because we are a people and service-intensive company, we listen to our employees. We understand that they want challenge and responsibility; we give it to them and then we reward them for doing a good job. This year's Vernon Stouffer Award winner, Carol

Davis, was cited not only for her years of devotion within the company, but for her contributions to the community as well. She, like most of our employees, exemplifies the qualities of our founder, Vernon Stouffer. As this year's winner, she was awarded \$500 and a two-week trip to the Stouffer Wailea Beach Resort (see pages 12-13).

While such a trip is an outward token, for the committed individual a job well-done is often the best reward. But the recognition can be sweet, especially if you are an executive chef who prepares a banquet for the world's leading chefs and they signify their overwhelming admiration. That's what happened to the executive chef at The Mayflower (see pages 8-9).

When the elite Club des Chefs des Chefs, the chefs to kings and queens, met in this country for the first time, they chose The Mayflower. Always known as the "hotel of presidents," this Stouffer Hotel is now also known as the "hotel of the chefs of the presidents." We were deeply honored to be chosen for this distinction. And true to form, our dedicated fellow employees at The Mayflower exhibited the creativity, good service and innovation which is their hallmark.

Participation gaps do not exist in all organizations.

William N. Hulett, president
Stouffer Hotels

Impressions, Vol. 4, No. 3

Published quarterly for Stouffer Hotels.

Address all communications, including requests to reprint any portion of this publication, to

Stouffer Impressions, 29800 Bainbridge Rd., Solon, Ohio 44139. Telephone 216/248-3600

Editor: Judy Ernest Editorial Assistant: Marilyn Boyd

New CRO facilities parallel company's growth

The steady growth of Stouffer Hotels has triggered a growth in the company's Central Reservations Office (CRO). CRO, the busy hub which handles reservations for all 31 Stouffer hotels and resorts, is now sporting new office facilities, a uniquely efficient computer system, and a consolidated data center.

Now in its eighth year, CRO handles approximately 20,000 calls a week. It is responsible for 25-30 percent of each hotel's business. Forty-five reservation sales agents staff the phone lines 24 hours a day. All are experienced in the industry, many with an extensive travel background.

Calls are received via the toll free number, 1-800-HOTELS-1, from travel agents, corporate secretaries and travel departments, as well as individuals. The toll-free number is accessible from all 50 states, Canada, the Virgin Islands and Puerto Rico.

In addition to making reservations, the toll-free number may be

used to obtain a complimentary copy of Stouffer Hotels' national directory and brochures for specific hotels.

Improved service

The changes at CRO have meant an improved level of service to its customers. "By consolidating our data center and using a more efficiently designed computer system, we have improved our system response time," said Scott Pruner, associate director of reservation sales. "And, of course, the pleasant new office atmosphere has generated a renewed enthusiasm for our employees," Pruner said.

The hub is now poised to meet the company's current and future reservation needs. Stouffer Hotels has added seven new properties this year alone, bringing the total number of hotels and resorts to 31, and several more are on the horizon for 1988.

While consolidating its operations, CRO has planned ahead to allow room for growth. Relocating in August to an office directly

adjacent to corporate headquarters in Solon, Ohio, CRO has increased its space from 1,500 to 6,600 square feet. In addition, 9,000 square feet of adjacent space is available as the need arises.

SSMART move

Guests who call to make reservations will find them handled quicker than ever thanks to the new IBM-based computer system, called SSMARTS (Stouffer Sales Marketing and Reservation Transactions Systems). It utilizes a terminal with four screens to display four different sets of information simultaneously.

With SSMARTS, CRO's reservation sales agents can complete reservation info on screen one while viewing rates on screen two, room descriptions on screen three and hotel information on screen four. Having this information readily accessible puts the sales agent in a better position to sell Stouffer Hotels rather than just answer questions and take reservations.

"Because SSMARTS is interfaced directly with our hotel's property management system computer, we can provide instant transmission of the guest reservation from CRO to the hotel," Pruner said.

Unique to Stouffer Hotels, SSMARTS also houses Club Express, the company's frequent travelers program. Files on travel agencies are also tied into SSMARTS. This means that when a travel agent calls for a reservation, his agency's name and address are automatically added to the reservation record.

All of these capabilities translate into better, quicker service.

"SSMARTS," Pruner said, "can also provide information on our target market so that we can evaluate methods of better service and products for our guests."



Working with CRO's new SSMARTS computer system, which displays four information screens simultaneously, are assistant manager Kelly Anderson (left) and shift supervisor Maria Calvillo.

Two hotel scholarships awarded



Two outstanding applicants came out winners in the 1987 Stouffer Hotel Company Scholarship Program. Because of the increased number of applicants this year, two scholarships were awarded. The winners were Julie Petrone (above) and Carol Kelly (right).

Julie is the daughter of Mary Petrone, food server at Stouffer Bedford Glen Hotel. Graduating in the top 15% of her high school class, Julie was active in cheerleading, student government and the school yearbook. She is also an exceptional dancer. Dancing since age two, Julie is now teaching with a local dance company. She will major in business management and minor in dance at Keene State College in New Hampshire, with the aspiration of opening her own performing arts center.

Carol Kelly is the daughter of Vivienne Holness, a supervisor at The Stouffer Westchester Hotel. An honor student, Carol has won medals in math and participated in a summer engineering program at Alfred University. She has been active on her high school forensics team and in drama productions, as well as track. Carol plans to attend the University



of Maryland to study law and/or engineering.

The two winners were selected from a fine field of applicants by George Leech, formerly the head of the student testing center at Fenn College (now Cleveland State University).

Guess who came to breakfast? The mayor of Houston was wide awake and ready to join 25 of the country's top association meeting planners for breakfast at the Stouffer Greenway Plaza Hotel this summer. The occasion—the Great Texas Fly-In, a city-wide event sponsored by the Greater Houston Convention and Visitors Bureau. The group was flown to Houston for an introduction to the new George R. Brown Convention Center and the city's hotels. Mayor Kathryn Whitmire, who is actively involved in promoting the city, is greeted here by Tom Anderson, director of sales and marketing for the hotel. After 15 minutes of aerobics, the group sat down to savor regional breakfast cuisine, while enjoying the hotel's 20th-floor view of the Houston skyline. The event was a sweet success... Greenway Plaza Hotel has booked 7,500 room nights in the first six months of the convention center's opening, and future business looks just as bright.



Familiar smiles... These two are comfortable smiling for the cameras. People in the Los Angeles area recognize Bob Chandler as host of the CBS magazine format show "Two on the Town." Mauians know Charlene Iwasa as a former Miss Maui, now Stouffer Wailea Beach Resort's guest relations director. Here they pose together during filming earlier this year of a "Two on the Town" segment spotlighting the island of Maui. As part of his documentary, Chandler was on site at Wailea Beach to film the resort's highlights. Such Wailea delights as hula dancing, lei making and ocean activities were featured, as well as hotel personnel including Raffles' hostess Laurie Salomon, Miss Rodeo Hawaii 1986, and Palm Court waiter Jim Oldenburg, a black belt Tae Kwon Do martial arts expert.



What a breeze! They made it look easy. Chris Bush and his crew raced this 25-foot Cupri, "Infinity," to an overall 2nd-place victory in the Stouffer/Dillon Open Sailing Regatta in Denver this summer. Bush, assistant general manager of the Stouffer Concourse Hotel - Denver, participated in competition featuring over 200 boats in various classes. The regatta was sponsored by Stouffer Hotels as a benefit for the AMC Cancer Research Center. Held on scenic

Lake Dillon, the regatta was the heart of the 2nd annual Summitfest Weekend in Dillon, Colorado. Thousands came to enjoy a weekend of festivities including 24-hour mountain bike races, fireworks, hot air balloon ascensions, food fairs, art shows, a 10K race and fitness walk and plenty of music. All proceeds from the events benefited the AMC's Cancer Research Center.



Rewarding Riverview... The Riverview Plaza Hotel was recognized earlier this year in two different yet rewarding ways. First, the hotel's general manager, John Fleming, was honored as the first annual Volunteer of the Year by the United Cerebral Palsy Association. Fleming was selected from more than 200 nominees for his assistance in initiating the United Cerebral Palsy Respite program. When asked to provide rooms free of charge so that local Cerebral Palsy clients could get away from home for a fun-filled weekend, Fleming obliged and "Respite" was born. His action spurred similar programs by other UCP chapters throughout the country. Fleming (left) accepted the award from UCP national president Martin Rubinstein. The other award came from the Keep Mobile Beautiful Commission, which judged the Riverview the Cleanest Hotel in Mobile.



Stouffer award winner finds a winner

Maui is a special kind of paradise where the air is gentle and fragrant where each morning you can leave your bed, run to the beach to wake up in the warm surf of the ocean...where the people are so friendly you soon forget the concerns that were left on the Mainland.

The beauty of Maui beckoned Carol Davis, the 1986 winner of the Vernon Stouffer Award. She was chosen from the 12,000 Stouffer Hotel employees as the person who best exemplifies the dedication to the guest and the community which guided the life of the founder of Stouffer Hotels.

Davis, Manager EEO (Equal Employment Opportunity), won a \$500 cash award and a two-week trip to the Stouffer Wailea Beach Resort on Maui.

Like most tourists, Davis took advantage of every beauty the island has to offer. She went on a sunset dinner cruise on a catamaran, toured Hana, took snorkel lessons and even got up at 2 a.m. to see the sunrise at Haleakala.

The resort is on 15 acres of lush vegetation right next to the ocean. "The ocean is so blue," she said. "And it changes all the time."

Tropical paradise

The tropical gardens at the resort were installed at an original cost of over a million dollars. They follow the natural contours of the land, funnelling a stream down a canyon, leaping a great rock to create a waterfall and below it, a pool.

Maui's spectacular landscape greets the gaze of each Wailea Beach Resort guest.

Hedges of bright hibiscus blooms are just one of more than 100 species of plants and flowers on the grounds. There are more than 6,000 orchids. The resort has its own nurseries and the orchids are prize specimens, rotated to provide constant bloom.

The resort is located on the dry, sunny area of the island. The area features a pair of 18-hole golf courses stretching across the lower slopes of Mount Haleakala. The Haleakala Crater, in the island's center, is a huge, dormant volcano (the 7½-mile-wide crater is one of the largest on earth). Windswept, gravely and stark, the barren landscape conveys an eerie, other-worldly feel to it, but it offers a spectacular view of the horizon, entire island and neighboring islands. It shouldn't be missed.

Davis said, even if it means getting on a tour bus at 3 a.m.

While she preferred the sunny area, she also enjoyed the rich natural beauty of the Hana area which is accessible on a challenging, winding road. The views, Davis said, are well worth the effort of getting there. Green cliffs plunge down into the deep-blue sea. Fragrant ginger plants and cascading waterfalls line the road cutting through the rain forest. There is the amazing splendor of the seven pools of the 'Ohe'o Gulch.

Whaling village

A rebuilt 1890-vintage train runs between the beach area of Maui and the famous old whaling town of Lahaina, allowing the curious to see sugar cane fields at close hand before jumping off at the Victorian-inspired Lahaina Railroad Station. In its day, Lahaina was the royal capital of the islands and played host to more than 50 whaling ships at a time.

When the whaling business ended, Lahaina settled back to become a sleepy small town. Today it is being restored to its vivid Victorian past. "I loved looking at all of the sailing ships in the harbor," Davis said.

Like most visitors to the Wailea Beach Resort, Davis was captivated not only by the friendliness of the



A cascading waterfall, blue-green pool and lush greenery are just a step away in the tropical gardens of Wailea Beach Resort.

staff but also by the cuisine of the chefs Horst Fuetterer and Roy Stillwell.

The Wailea Beach is Hawaii's only resort to receive both the prestigious AAA Five Diamond award for excellence for seven consecutive years as well as the Travel/Holiday award for superb dining. Raffles, which features classic continental and nouvelle cuisines, has won the coveted Travel/Holiday award for eight years in a row.



Carol Davis was treated to the outstanding service of Moki Chong Lee which has helped make Raffles' an award-winning restaurant.

For more casual dining, there is the Palm Court's delightful terrace or the Maui Onion, which overlooks the pool and beach. The views are spectacular at the Sunset Terrace. For late night entertainment, she enjoyed the Lost Horizon with dancing and cocktails. Every Tuesday evening, the resort presents its Hawaiian Luau. "You'll feast on exotic food in an emerald garden," she said, "and the Hawaiian floor show is spectacular."

Rooms with views

All 350 guest rooms have views of the ocean, garden or mountain. Each features a private lanai,



The friendly Wailea staff is committed to making their guests' visit as relaxed and delightful as the island itself.

individual air-conditioning control, refrigerator and stocked beverage bar. Other services include professional valet service, beauty salon, laundry facilities and full beach service.

"Russell Duarte and his beach staff go out of their way to help guests learn snorkeling and other water sports," she said. Once she learned the snorkeling technique, she was taken by boat to the prime snorkeling area and was bedazzled by the array of tropical fish.

Windsurfing, sailing and scuba diving are also available to resort guests. The Wailea Beach is a perfect place for a convention or meeting, Davis observed. "People are able to be more creative in such a relaxed and beautiful atmosphere," she said. "The whole staff works together to make every stay magical," she observed. "No wonder it is a five-diamond resort. I would give it some rubies and emeralds, as well," she said.



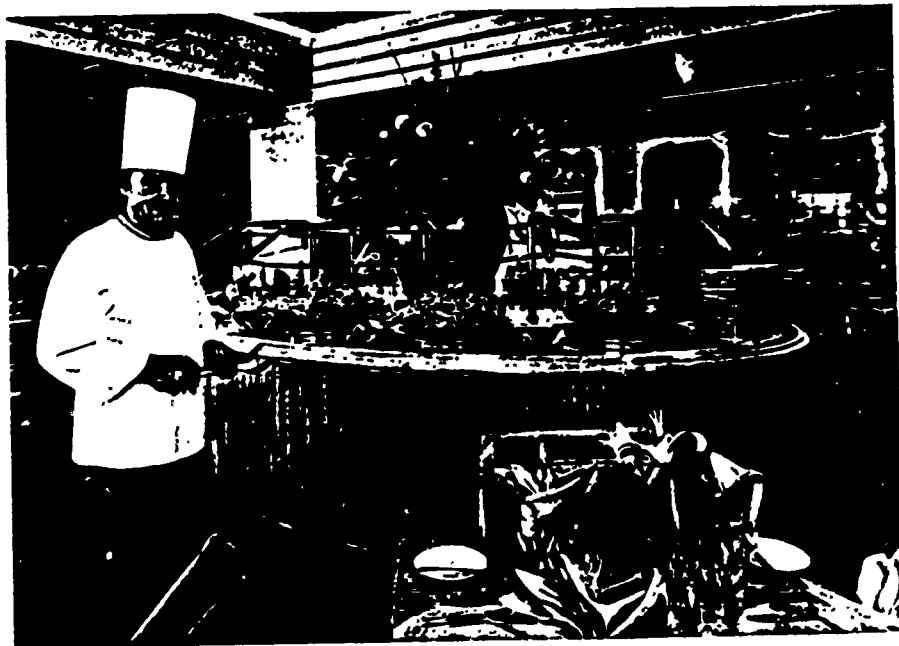
Now that's an ice cube! With 10 blocks of ice and four hours to create their sculpture, the Stouffer Orlando Resorts ice carving team won first prize among competitors from local hotels and attractions during this summer's "Big Chill" event at the resort. The winning team is (from left) executive chef Hiroshi Noguchi, Rufino Pambuan, Patrick Pelletier and Daidara Matsuda. Guests experienced a full day of snow-filled activities, including an ice

skating performance, a snowman-building contest using 20 tons of real snow, and photography sessions with the Sea World penguins. "Snowflakes" drifted down the 10-story atrium that evening, as a crowd of 3,000 danced and enjoyed an oldies show broadcast live by a local radio station. Keep your mittens handy...next year's "Big Chill" is scheduled for July 16-17.

Olympic warm-up... The ice will be cold but the competition will be hot! Team USA and USSR's Moscow Selection team face off during an exhibition hockey game on December 10 at Cleveland's Richfield Coliseum. The game a prelude to the 1988 Winter Olympics in Calgary is co-sponsored in Cleveland by Stouffer Foods and Stouffer Tower City Plaza Hotel. Cleveland is the first stop of an eight-city tour presented by Community Mutual Blue Cross and Blue Shield in conjunction with the U.S. Amateur Hockey Association. Both teams will enjoy their stay in Cleveland with first-class accommodations at Stouffer Tower City Plaza Hotel.



Hotel Woman of the Year... in Chicago, that is! That distinction was recently given to Rhonda Meyers, director of business research at Stouffer Hotels Midwest National Business Research Office. Chicago Hotel Women recognized Meyers for her active participation and support of the hospitality industry in Chicago, as well as her work on industry-related committees. Meyers (left) received an inscribed crystal obelisk from last year's award winner, Nancy Pierson. "I was surprised to get the award. It was a real honor," Meyers said. Chicago Hotel Women is comprised of personnel in sales, catering, food and beverage and other management roles in the Chicago hotel industry.



Treasures from the sea... Chef Marcel Lagnaz of the Stouffer Concourse Hotel - Los Angeles oversees an elaborate Seafood Buffet every weekend, Friday through Sunday evenings in the Charisma dining room of the

hotel. The specialties differ each day with such items as scalloped sevrice, avocado and tomato with shrimp, smoked salmon, steamed mussels, orange roughy and a separate pastry buffet.

Everyone's a winner... Great prizes were handed out recently to the top finishers of the fifth annual Stouffer High Tech 10K Classic Road Race. However, the benefit race, staged by the Stouffer Bedford Glen Hotel, was truly a winning effort for all involved. Over \$15,000 was raised for the Massachusetts Special Olympics and to fund high tech scholarships for area students, bringing the five-year total to more than \$60,000. Coming from the west coast

to complete the 6.2-mile race was Don Bomer, general manager of the Stouffer Concourse Hotel - Los Angeles and former general manager of Bedford Glen. Here Bomer presents the women's division second-place finisher, Michele Hallett, with a personal computer. Despite rain, over 1,100 runners crossed the finish line at the hotel, with records being set in both the men's and women's divisions.



High above it all... When Nikolai Nikolski goes out for a walk, he really attracts attention. In this case, he put The Mayflower Hotel into the spotlight as well. Nikolski, a member of Circus Vargas which performed recently in the Washington D.C. area, went to the rooftop of the 10-story Mayflower Hotel and crossed a 30-foot wire suspended between two walls of the historic building. The feat, which took about a minute, thrilled a crowd of onlookers and made the local TV news. It was Nikolski's way of celebrating the first anniversary of his defection from the Soviet Union.

Dublin Hotel goes international

For a week in September, the world's sports eyes were focused on Dublin, Ohio, site of international golf's most prestigious tournament, the Ryder Cup Challenge, played on Jack Nicklaus' Muirfield Village course. Stouffer Dublin Hotel became host to many of Europe's leading business officials, press people and dignitaries during their visit to the tournament. While many golfers and VIPs are hosted by the Stouffer Dublin Hotel each year for May's Memorial Tournament at Muirfield, the Ryder Cup guests gave the hotel an international flair. Many of the guests arrived from England and Scotland via the Concorde supersonic transport on the cool, dreary Monday prior to

the tournament. Hotel general manager Walt Michely noted, "Many guests remarked about the similarity to their country's damp weather, but they quickly made themselves at home at Columbus' shopping malls and attractions. The hotel gift shop's hottest-selling items were Ohio State sweatshirts and Columbus postcards." The Ryder Cup Challenge, played biannually between America's and Europe's best golfers, has long been a favorite tournament in Europe and is gaining popularity in the U.S. The 1987 Ryder Cup in Dublin boasted the largest attendance at opening ceremonies in tournament history and over 25,000 spectators

viewed tournament play. Officials believe this super attendance contributed greatly to elevating awareness of the Ryder Cup Challenge in the U.S. Although the 1987 American team fell to defeat, there is talk of possibly bringing the Ryder Cup back to Dublin in the near future. Based upon many positive comments overheard by international hotel guests this year, Dublin, Ohio and Stouffer Dublin Hotel may once again be spotlighted in the sports world. "It's gratifying that our hotel was a key part of this international event," Michely said. "We're looking forward to being involved again if the decision is made to return to Dublin."



Ken Kettering puts his love of people to good use as Dayton Plaza's bellman-chauffeur.

If you think the Dayton Plaza Hotel's limo chauffeur looks like he should be in movies, you're not wrong. He is...almost.

Ken Kettering not only serves as bellman-chauffeur for the hotel from 5 a.m. to 2 p.m. every day, he leads a second life doing TV news updates during the evening movies on the local television station. Ken also hosts the station's weekly public affairs program.

While his two lives may seem divergent, Kettering sees a unity in both jobs. "Nothing beats being with people," he says. A preacher's son, Kettering grew up in Tennessee. "I like doing things for people," he says, whether it is entertaining them on television or carrying their bags into the hotel.

Kettering, a former star soccer fullback at Tennessee Temple, also has 15 years of experience as a TV sports anchor director. With his rugged good looks and trim physique, he could pass for a presidential bodyguard. He loads guests' suitcases onto the hotel's brass baggage valet with ease, smiling all the while.

Besides his hotel and TV stints, he also does training videos for a Dayton-based company, some modeling and commercials.

Because he is a people person, Kettering enjoys the hotel. Not only are the guests fun to be with, but he enjoys his fellow workers as well as the surroundings.

A towering 14-story structure, Stouffer Dayton Plaza Hotel is located in the heart of Dayton.

Attached to the hotel by an overhead skywalk are both the Dayton Convention & Exposition Hall and Transportation Center, including a 1500-car garage.

On the top floor of the hotel is the Top of the Plaza, the rooftop restaurant and entertainment center. "The continental cuisine is excellent," Kettering tells guests.

He also recommends that they visit the city's enclosed arcade which is within walking distance, as well as spending some time in the Oregon Historic District. It features many pubs and nighttime entertainment. It is obvious that Kettering loves the city.

Although he has had several television offers from outside of Dayton, he has turned them down. He and his wife, Cristy, and their four children like Dayton and want to stay. Both of them are active in their church and they believe that Dayton is a good place to raise children.

That's what keeps driving the chauffeur-TV host.



The Dayton Plaza features warm midwestern hospitality and all the amenities of a fine Stouffer Hotel.

APPENDIX D
MERRELL DOW
PHARMACEUTICALS INCORPORATED
DOCUMENTS

TABLE OF CONTENTS

ADMINISTRATIVE RESIDENCY SCHEDULE	1
MISSION STATEMENTS. . . . .	.12
ORGANIZATION CHART. . . . .	.17
EMPLOYEE APPRAISAL FORMS. . . . .	.18
EMPLOYEE ORIENTATION PROCESS. . . . .	.55
EMPLOYEE HANDBOOK . . . . .	.74
EVALUATION MECHANISMS . . . . .	.75
FORMAL TRAINING PROGRAMS. . . . .	.81
QUALITY/SERVICE PROGRAMS. . . . .	.85
PUBLICATIONS. . . . .	.98

Merrell Dow Pharmaceuticals Inc.

SUBSIDIARY OF THE DOW CHEMICAL COMPANY
P O Box 429553, Cincinnati, Ohio 45242-9553, U S A . Telephone (513) 948-9111, Telex 214320

DATE: February 23, 1988
TO: Those Concerned
FROM: K. A. Lohr
SUBJECT: ORIENTATION FOR MAJOR UNDERWOOD

SECRETARY
LISA PRUITT

Copies to: RECohen (ROBERTA) WRDonaldson SWDyer VCErnst
RFKrueger MRMetz JEMoore JIM MANewnam
FLSavage KRSchueler

For Info: TACatino TRSheldt

The general schedule for Major Underwood is as follows:

<u>Date</u>	<u>Item</u>	<u>Coordinator</u>	
3/01-3/03	Quality and Organization Overview	K. Lohr	KEN
3/07-3/10	Quality Operations	M. Metz	MARTY
3/14-3/17	Operations	S. Dyer	STEVE
3/21-3/22	Customer Service and CIC	M. Newnam	MARSHA
3/23-3/24	Distribution and Traffic	V. Ernst	VINCE
3/28-3/31	Marketing (Merrell Dow and Lakeside)	K. Schueler	KIRK
4/11 AM	Public Affairs	W. Donaldson	BILL
4/11 PM	Hospital, Professional and Trade Relations	F. Savage	FRANK
4/12	Research	R. Krueger	RUSS
4/13	Research	R. Krueger	
4/14	Quality	K. Lohr	

The periods 4/18-4/21 and 4/25-4/28 are presently open. If Major Underwood desires to return to an area for further orientation, we will schedule such visits during these two periods. K. Lohr will be responsible for schedule other orientation items for these periods.

If you have any questions regarding the above schedule, please contact me immediately.

1

KAL:lrp

Merrell Dow • Lakeside Pharmaceuticals
Divisions of Merrell Dow Pharmaceuticals Inc.

Ken

**GENERAL AREAS - ORIENTATION PROGRAM
FOR MAJOR UNDERWOOD**

3/01/88	8:15-10:45	Orientation Review Quality Overview	K. Lohr
	11:00-12:45	Department Coordinator Meeting and Lunch with Major Underwood	W. Donaldson ✓
	1:00- 3:00	Research Overview	R. Krueger ✓
	3:15-5:00	Quality	K. Lohr ✓
3/02/88	8:15-10:15	Legal Overview	N. Treinish ✓
	10:15-12:00	Quality	K. Lohr ✓
	12:00- 1:00	Lunch	R. Cohen ✓
	1:00- 5:00	Human Resources Overview	R. Cohen ✓
3/03/88	8:15-10:15	Global and U.S. Business	J. Moore /
	10:15-12:15	Public Affairs Overview	T. Catino
	12:15- 1:00	Lunch	T. Catino
	1:00- 5:00	Quality	K. Lohr

KAL:lrp
2/22/88

HEALTH ADMINISTRATION GRADUATE RESIDENCY PROGRAM
 QUALITY OPERATIONS/OPERATIONS
 3/7/88 TO 3/17/88

MONDAY	AM	Reading Plant Tour
	PM	Safety/Security/Environmental/ Industrial Hygiene Programs
TUESDAY	AM	QO Organization, Goals and Programs - introduction and discussion with quality area managers
		Operations Organization, Goals and Programs - introduction and discussion with operation area managers
	PM	Good Manufacturing Practices Training Program QO/Operations GMP Training Manufacturing Operator Training Pride Circles Partners in Education Program
WEDNESDAY	AM	Quality Systems Functions -Standard Operating Procedures -Documents -Systems
	PM	Records Release GMP Services Batch Difficulties
THURSDAY	AM	GMP Committee Line Monitoring
	PM	Micro -Utilities Systems Committee, Environmental -Laboratory
MONDAY	AM	Departmental Audit
	PM	Departmental Audit
TUESDAY	AM	Crisis Workshop Product Quality Audit -Stability, Process Validation, Audit Report, Complaints
	PM	PMQA/Sampling DEA/ATF

WEDNESDAY	AM	Package Engineering Utilities Maintenance
	PM	Process Engineering Contract Manufacturing
THURSDAY	AM	Purchasing PPIC Pride Circles
	PM	Vice President of Quality Operations

MAJOR BARBARA UNDERWOOD

March 21 and 22, 1988

March 21, 1988

8:15 a.m. Customer Information Center introduction, mission and organization

Lunch with Mary Caudle, Cheryl Hankins, Pat Hanneken and Nancy Munro

1:30 p.m. Marsha Newnam - Customer Service Mission, functions and organization

2:00 p.m. Mary Caudle - Order processing overview
(computer, mail, phone, Rx and OTC)

JoAnn Napier - Contracts/export orders

4:00 p.m. Sales School I Presentation

March 22, 1988

8:15 a.m. Pat Hanneken - Lakeside OTC Team overview
(discussions on ASR/CAM/RAM concept, workwiths, promotion
payments, deductions, credits - shortages/damages, top 30
accounts)

Lunch with (MAN will be out of town)

1:00 p.m. East/West Team Introduction

Pat Buisson - SERVICE System features

Cheryl Hankins - Returns - Direct and Non-direct

Team Building - West Team Meeting (time permitting)

DISTRIBUTION DEPARTMENT ORIENTATION PROGRAM
FOR MAJOR UNDERWOOD

Overview

V. Ernst

Organization

Order Processing

Warehouse audit and
recognition program

Traffic

C. Nicely

Carrier selection

Carrier evaluation and
recognition program

Warehousing

R. Grote

Tour of Blue Ash facility

Returned goods

Contract warehousing

Northern Kentucky Distribution Center

J. Casper

Tour of facility

Services offered

KAL:lrp
2/17/88

AGENDA

Major Barbara Underwood

Monday, March 28, 1988

9:00 A.M. - 10:00 A.M.	Lakeside Market Research Steve Hellebusch
10:00 A.M. - 12:00 P.M.	Merrell Dow Market Research Ray Osborn
1:00 P.M. - 4:00 P.M.	Merrell Dow Product Management Dave VanBrunt
4:00 P.M. - 5:00 P.M.	Lakeside Product Management Keith Baich

Tuesday, March 29, 1988

9:00 A.M. - 11:00 A.M.	Merrell Dow Sales Training Susan Warshawsky
11:00 A.M. - 12:00 P.M.	Lakeside Sales Training Tim Bray
1:30 P.M. - 3:30 P.M.	Sales Management Joe Congedo

Wednesday, March 30, 1988

9:00 A.M. - 12:00 P.M.	Advertising Julian Parreno
1:00 P.M. - 3:00 P.M.	Marketing Services Pete Joiner

Thursday, March 31, 1988

8:00 A.M. - 10:00 A.M.	Commercial Development Sally Evans
------------------------	---------------------------------------

**GENERAL ORIENTATION
FOR MAJOR UNDERWOOD**

4/11	8:15-12:15	Public Affairs	W. Donaldson
	12:15- 1:00	Lunch	W. Donaldson
	1:00- 3:00	Hospital, Professional and Trade Relations	F. Savage
4/12	8:15- 5:00	Research	R. Krueger
4/13	8:15- 5:00	Research	R. Krueger
4/14	8:15- 5:00	Quality	K. Lohr

KAL:lrp
2/22/88

Merrell Dow Pharmaceuticals Inc.

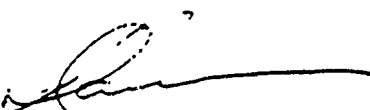
SUBSIDIARY OF THE DOW CHEMICAL COMPANY
PO Box 429553, Cincinnati Ohio 45242-9553 U S A Telephone (513) 948-9111, Telex 214320

DATE: March 31, 1988
TO: JLAbernathy
JMDawson
FROM: WRDonaldson
SUBJECT: BARBARA UNDERWOOD PROGRAM

Copies to: KALohr BBUnderwood

As discussed, the following is the schedule of interviews and focuses of discussion on public relations with Barbara Underwood, Monday, April 11, 1988.

8:15a.m. - 9:30a.m.	Bill Donaldson	Corporate P.R. Litigation P.R. Crisis Communications
9:30a.m. - 10:30a.m.	Julia Abernathy	Personnel P.R. Media Monitoring
10:30a.m. - 12:00p.m.	Jim Dawson	Product Publicity
12:00p.m.	Bill Donaldson	Lunch


WRD/nh

Ken:

This is the additional training schedule for Barb Underwood:

Monday, April 25, 1988 (Reading)

8:15-12:15 Bill Ringshauser

1:30- 3:30 Norm Lush

3:30- 4:30 Hal McCullough

Tuesday, April 26, 1988 (Blue Ash)


8:30-10:30 Dan Maher

1:00- 3:00 Ralph Meyers

3:00- 4:00 Mike Randall

Wednesday, April 27, 1988 (Reading)

8:15-12:15 Denny Bischoff


Lisa
4/14/88

Merrell Dow Pharmaceuticals Inc.

SUBSIDIARY OF THE DOW CHEMICAL COMPANY
P.O. Box 420-53 Cincinnati Ohio 45242-9553 U.S.A. Telephone: (513) 948-9111 Telex: 214320

DATE: April 15, 1988

TO: TACatino RECOhen WRDonaldson SWDyer
VCErnst RFKreuger MRMetz JEMoore
MANewnam FLSavage KRSchueler TRSheldt

FROM: K. A. Lohr

Copies to: ~~BUNDERWOOD~~

On Thursday, April 28, 1988, Major Barbara Underwood will be giving an overview of her visit here.

You are invited to attend a luncheon at 12:00 in the Board Room. The presentation will follow.

Please notify Lisa Pruitt (7882) by April 22nd as to whether or not you will be attending. Thank you.

/lrp

MERRELL DOW U.S.A. - MISSION

DEDICATED TO A PENETRATION STRATEGY IN THE COMMERCIALIZATION OF PRESCRIPTION PHARMACEUTICAL PRODUCTS ORIGINATING FROM MDRI DISCOVERY RESEARCH OR IN-LICENSING.

MARKET SCOPE

THE PRIMARY MARKET SCOPE IS THE HEALTH CARE PROFESSIONAL. PARTICULAR EMPHASIS ON HIGH PRESCRIBING PHYSICIANS WHO GENERATE UP TO OF THE TOTAL MARKET FOR OUR MAJOR THERAPEUTIC CATEGORIES. IMPROVED CAPABILITIES IN MARKETING TO MANAGED CARE FACILITIES (HMO'S-PPO'S, etc.) WILL BE OF PRIME IMPORTANCE. DIRECT-TO-CONSUMER PROMOTIONAL ACTIVITIES WILL BE UTILIZED FOR SELECTED PRODUCTS.

MERRELL DOW U.S.A.

1988 OBJECTIVES

- ACHIEVE SALES AND COM TARGETS OF
- INSTITUTE QUALITY PERFORMANCE PROGRAM IN ALL FUNCTIONAL AREAS
- LAUNCH SELDANE-D WHILE MINIMIZING IMPACT ON SELDANE
- LAUNCH LORELCO 500MG TO REVITALIZE BRAND, IMPROVE COMPLIANCE AND IMPROVE COMPETITIVE POSITION
- IMPROVE FOCUS ON EMERGING MANAGED HEALTH CARE MARKET
- INCREASE SALESFORCE BY REPS TO CAPITALIZE ON NEW PRODUCTS AND IMPROVE COVERAGE OF TARGET MD'S

Dow Core Values

*If
you
can't
do it
better,
why
do it?*

H. H. Dow, Founder

Long-term profit growth is essential to ensure the prosperity and well-being of Dow employees, stockholders, and customers. How we achieve this objective is as important as the objective itself. Fundamental to our success are the core values we believe in and practice.

Employees are the source of Dow's success. We treat them with respect, promote teamwork, and encourage personal freedom and growth. Excellence in performance is sought and rewarded.

Customers will receive our strongest possible commitment to meet their needs with high quality products and superior service.

Our Products are based on continuing excellence and innovation in chemistry-related sciences and technology.

Our Conduct demonstrates a deep concern for ethics, citizenship, safety, health and the environment.



*W*hereas the continuing dedication to excellence of Merrell Dow Pharmaceuticals Inc. will be strengthened and enhanced by adoption of the Core Values of the Dow Chemical Company.

Therefore, be it resolved that these Core Values be fully adopted and broadly implemented by the employees of Merrell Dow throughout the world.

Board of Directors
Merrell Dow Pharmaceuticals Inc.

MERRELL DOW U.S.A.

OUR COMMITMENT TO QUALITY

**WE BELIEVE THE LONG-TERM SUCCESS OF
MERRELL DOW U.S.A. WILL BE BEST ASSURED
BY PURSUING QUALITY IN ALL THAT WE DO.**

**WE WILL FULFILL THIS COMMITMENT TO
EXCELLENCE THROUGH INDIVIDUAL
PERFORMANCE, TEAMWORK, AND A PROCESS OF
CONTINUOUS IMPROVEMENT.**

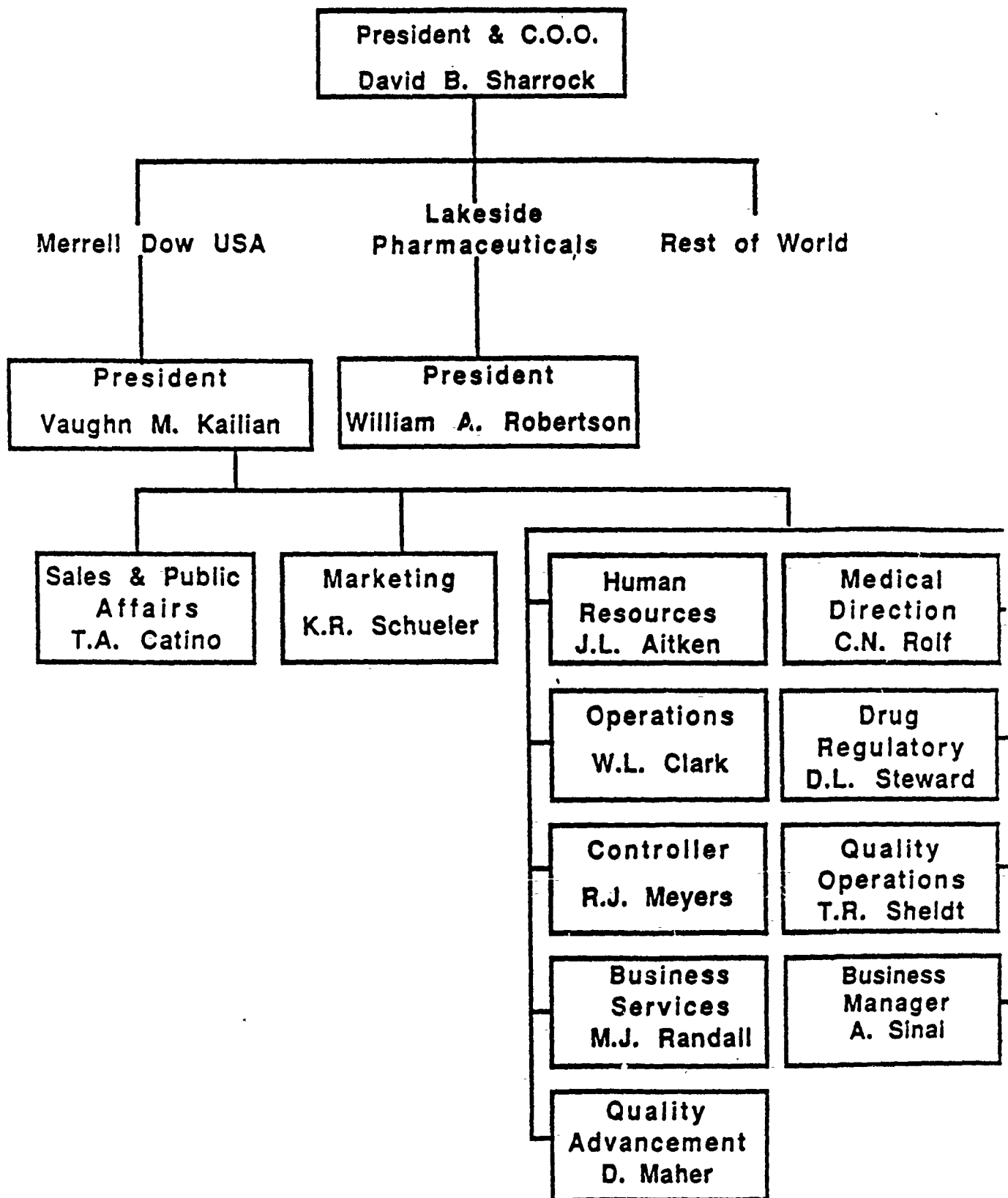
**WE ARE DEDICATED TO BEING THE LEADER IN
PROVIDING QUALITY PRODUCTS AND SERVICES
WHICH MEET OR EXCEED THE EXPECTATIONS OF
OUR CUSTOMERS.**

QUALITY PERFORMANCE AT DOW

Quality Performance is a commitment to excellence by each Dow employee. It is achieved by teamwork and a process of continuous improvement.

We are dedicated to being the leader in providing quality products and services which meet or exceed the expectations of our customers.

MDPI



2/10/88

The Marketing Job Performance Review Guide for Non-Exempt Employees

Introduction

The purpose of the Marketing Job Performance Review form for Non-Exempt Employees is to promote objective measurement of performance and to maximize the development and utilization of an individual's capabilities, skills, and experience. The utilization of this form in no way eliminates or reduces the need for an on-going dialogue between the supervisor and employee.

The Job Performance Review should be based upon the performance characteristics within the Marketing Job Performance Review form in relation to work objectives and the job description. The process should foster an environment that encourages joint discussion of performance, company objectives, personal goals, and an employee's individual development.

Recommended Steps of the Job Performance Review Process

1. Distribution of the Job Performance Review Form to all Non-Exempt Employees and Supervisors.
2. Preparation for the JPR Discussion:

Employee

- Complete and submit to supervisor the Accomplishments/Goals page of the JPR form.
- Self-assessment, which may involve actual completion of the form.

Supervisor

- Preliminary completion of form taking into consideration the Accomplishments/Goals as submitted by employee.
- It is the **primary supervisor's** responsibility to incorporate information obtained from all others supported by employee.

3. Conducting the Performance Appraisal.
4. Finalization of the JPR Form.

COMPLETING THE JPR FORM

The Marketing Job Performance Review Form consists of:

- Job Functions
- Performance Evaluation
 - Job Knowledge
 - Professionalism
 - Interpersonal Skills
 - Dependability
 - Productivity
- Evaluation Summary
- Accomplishments and Goals

Job Functions Section of the JPR Form

In this section, each supervisor indicates those functions of the employee's job which are necessary for effective performance. If an employee supports more than one individual, important job functions may vary based on the individual needs of each person.

Performance Evaluation Section of the JPR Form

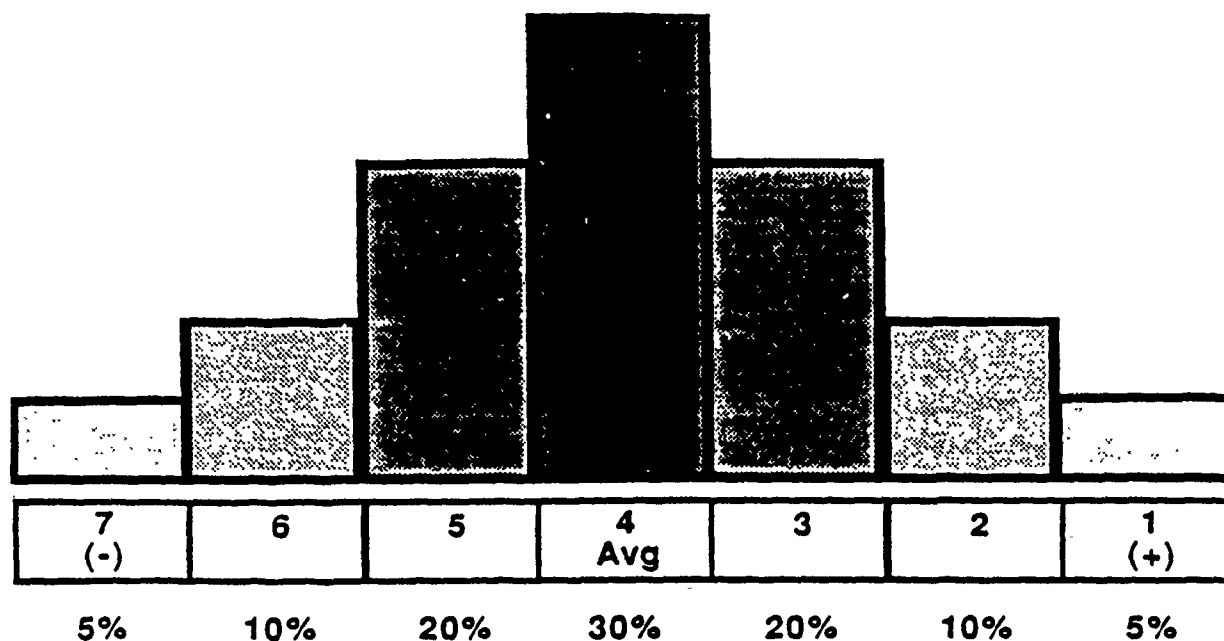
In completing this section, it is essential to be as objective and specific as possible in judging the employee's performance. Be sure to consider specific incidents where the employee was particularly effective, or ineffective, during this review period. These examples might be shown under "comments" in support of your evaluation.

Within the Performance Evaluation section, a standard seven-point scale is provided for you to evaluate each specific performance characteristic.

The scale is arranged so that a **positive** assessment is always on the right (1,2,3) while a **negative** one is always on the left (5,6,7). **Average** is in the middle (4).

Please Note: Under the Job Knowledge section, the item "Guidance required to perform job responsibilities" would be scored 1 or 2 if an individual needs very little guidance; a rating of 6 or 7 would be given if an unusually high amount of guidance is required.

Utilize the following guide in making your determination for each characteristic:



Evaluation Summary Section of the JPR Form

In this section, the supervisor considers all of the individual factors to summarize the employee's strengths and needs.

The supervisor should review all characteristics to determine the areas in the individual's performance which offer opportunities for growth and/or improvement. It is the shared responsibility of the supervisor and the employee to establish and complete developmental activities to address these opportunities. A successful developmental process must include (but not be limited to):

- established priorities
- realistic timelines
- regularly scheduled feedback sessions

Employee comments should be encouraged. The employee may comment on any aspects of the job performance review. S/he may choose to disagree with a portion of the review which should lead to further discussion. The Job Performance Review process is designed to enhance the two-way communication between supervisor and employee.

Conducting the Performance Appraisal

This section to be issued as a separate attachment.

Finalization of the Job Performance Review Form

Using all pertinent information obtained from the JPR discussion with the employee, the supervisor should complete the final copy of the JPR form. The employee is requested to sign and date the form to acknowledge that the review has taken place. Signing does not indicate agreement, in part or in total, with the contents of the review.

The supervisor should also sign and date the form.

Accomplishments and Goals

This section **must be** completed by the employee and submitted to the supervisor in advance of the review.

The employee should list any job-related training or courses completed during the review period. The supervisor and the employee will review this list to determine what is appropriate for the future.

It is necessary to discuss how current performance and developmental activities fit into the goals and career interests expressed by the employee.

MERRELL DOW PHARMACEUTICALS INC.
MARKETING JOB PERFORMANCE REVIEW

"Working Together Toward Excellence"

NAME _____ JOB TITLE: _____

SUPERVISOR/DEPT: _____

TIME IN CURRENT POSITION: _____

INSTRUCTIONS

Check the following list of job functions performed by the employee which are important in helping you accomplish your work.

JOB FUNCTIONS

- ☐ Communicates and follows up with internal staff, field sales force, suppliers, vendors, etc.
- ☐ Composes correspondence based on general thoughts expressed by supervisor.
- ☐ Composes correspondence on own.
- ☐ Follows up with others to ensure timely submission of needed information for supervisor (i.e. plans, forecasts, materials, etc.)
- ☐ Makes presentations.
- ☐ Makes travel arrangements.
- ☐ Organizes meetings and prepares agenda and minutes when appropriate.
- ☐ Prepares and follows up on copy submitted into the Review System.
- ☐ Prepares reports based on statistical or accounting data.
- ☐ Prepares visual aids for presentations.
- ☐ Proofreads copy for correct grammar, spelling and punctuation.
- ☐ Selects, organizes, calculates and summarizes information and/or reports (electronic and/or manually.)
- ☐ Sorts, files, maintains materials by any code or method.
- ☐ Transcribes material from copy and/or recorded/verbal dictation.
- ☐ Types statistical tables.

OTHER - BE SPECIFIC

<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____
<input type="checkbox"/>	_____

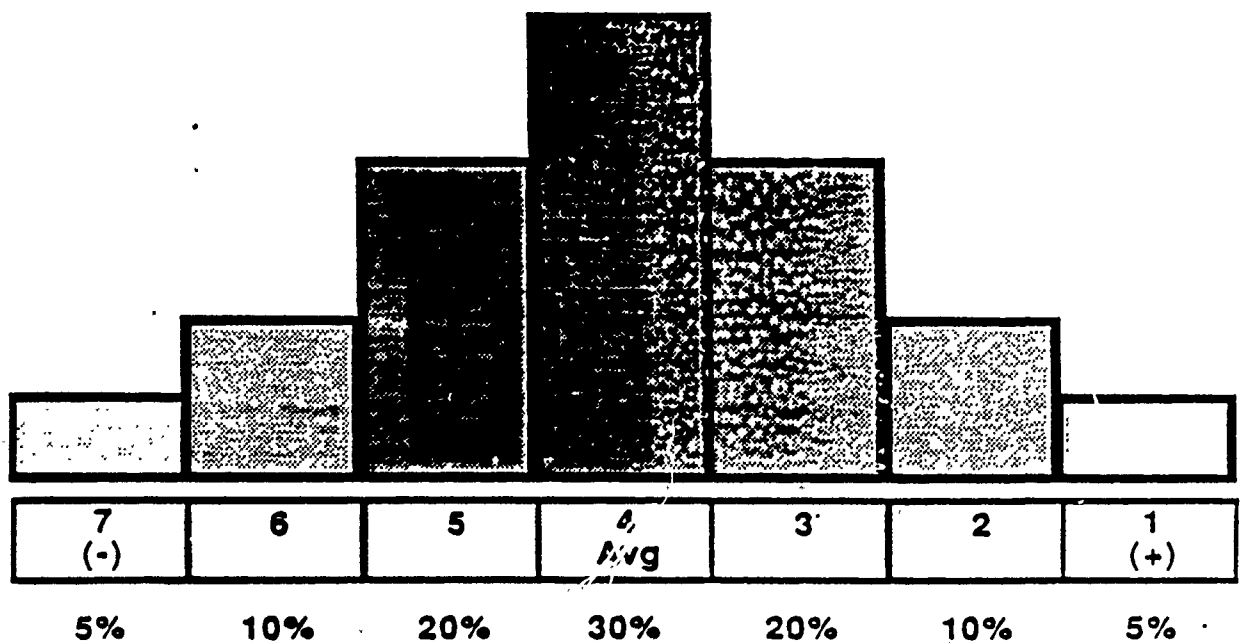
Job Performance Review Rating Scale

A standard seven point scale is provided for you to evaluate each specific performance characteristic.

The scale is arranged so that a **positive** assessment is always on the right (1,2,3) while a **negative** one is always on the left (5,6,7). **Average** is in the middle (4).

Please Note: Under the Job Knowledge section, the item "Guidance required to perform job responsibilities" would be scored 1 or 2 if an individual needs very little guidance; a rating of 6 or 7 would be given if an unusually high amount of guidance is required.

Utilize the following guide in making your determination for each characteristic:



Job Knowledge

Knowledge in all phases of the job.

-			Avg			+
7	6	5	4	3	2	1

Guidance required to perform job responsibilities.

-			Avg			+
7	6	5	4	3	2	1

Use of required equipment, materials and methods.

-			Avg			+
7	6	5	4	3	2	1

Use of resources to obtain necessary information.

-			Avg			+
7	6	5	4	3	2	1

Utilization of job knowledge to make logical decisions.

-			Avg			+
7	6	5	4	3	2	1

Comments:

Professionalism

Communicates in a professional manner.

-			Avg			+
7	6	5	4	3	2	1

Anticipates projects needs and/or problems.

-			Avg			+
7	6	5	4	3	2	1

Contributes thoughtful/useful recommendations.

-			Avg			+
7	6	5	4	3	2	1

Assists in resolving conflicts/issues.

-			Avg			+
7	6	5	4	3	2	1

Willingness to assist others.

-			Avg			+
7	6	5	4	3	2	1

Seeks additional responsibility.

-			Avg			+
7	6	5	4	3	2	1

Professional appearance.

-			Avg			+
7	6	5	4	3	2	1

Organization of work area.

-			Avg			+
7	6	5	4	3	2	1

Compliance with safety standards.

-			Avg			+
7	6	5	4	3	2	1

Comments:

Interpersonal Skills

Interacts with others to enhance or maintain their self-esteem.

-			Avg			+
7	6	5	4	3	2	1

Cooperates with others.

-			Avg			+
7	6	5	4	3	2	1

Considers the viewpoint of others.

-			Avg			+
7	6	5	4	3	2	1

Adapts to changing situations.

-			Avg			+
7	6	5	4	3	2	1

Responds to constructive criticism.

-			Avg			+
7	6	5	4	3	2	1

Comments:

Dependability

Attendance record.

-			Avg			+
7	6	5	4	3	2	1

Tardiness record.

-			Avg			+
7	6	5	4	3	2	1

Communication of whereabouts.

-			Avg			+
7	6	5	4	3	2	1

Follows instructions.

-			Avg			+
7	6	5	4	3	2	1

Extends extra effort when needed (goes the extra mile).

-			Avg			+
7	6	5	4	3	2	1

Comments:

Productivity

Complies with timelines.

-			Avg			+
7	6	5	4	3	2	1

Quality of work. (accuracy, neatness, etc.)

-			Avg			+
7	6	5	4	3	2	1

Quantity of work.

-			Avg			+
7	6	5	4	3	2	1

Attention to detail.

-			Avg			+
7	6	5	4	3	2	1

Adheres to priorities.

-			Avg			+
7	6	5	4	3	2	1

Utilization of available work time.

-			Avg			+
7	6	5	4	3	2	1

Follow-through.

-			Avg			+
7	6	5	4	3	2	1

Comments:

Evaluation Summary

- **Performance Strengths**

- **Performance Improvement Needs**

- **Future Developmental Activities / Programs**

- **Employee Comments**

employee signature/date

supervisor signature/date

Accomplishments

(consider work objectives, task.
force assignments,
MDPI-sponsored community activities)

List job-related training / courses completed during the year.

Goals

Indicate your goals, job preferences, and career interests.

signature

date

NAME		JOB TITLE		MASTER NO.	DEPARTMENT
SERVICE DATE / /	TIME UNDER YOUR SUPERVISION __ yrs. __ mos.	DATES OF JPR PERIOD __ / __ to __ / __		DATE OF JPR CONFERENCE / /	
SUPERVISOR			JOB TITLE		
TYPE OF REVIEW __ ANNUAL __ SPECIAL __ OTHER			REASON FOR SPECIAL REVIEW OR OTHER		

PART I: PRIORITIES AND GOALS (PREVIOUS PERIOD)

1. Priority/Goal: _____

Results: _____

2. Priority/Goal: _____

Results: _____

3. Priority/Goal: _____

Results: _____

4. Priority/Goal: _____

Results: _____

5. Priority/Goal: _____

Results: _____

PART II: SKILL AREAS

ORAL COMMUNICATION SKILLS - The ability to convey ideas and information orally with clarity and conviction, in order to persuade others to act.

WRITTEN COMMUNICATION SKILLS - The ability to effectively express oneself in written form in a clear, interesting and persuasive manner.

INTERPERSONAL SKILLS - The ability to motivate others to accomplish objectives while interacting in a cooperative, respectful manner which maintains or enhances their self-esteem.

ANALYTICAL SKILLS - The ability to use reasoning and judgment to identify, analyze and recommend solutions to problems and opportunities.

ORGANIZING SKILLS - The ability to integrate available or known information, books and resources effectively and to implement specific courses of action.

EXEMPT EMPLOYEE SELF-REVIEW
(To be completed by employee prior to JPR communication)

1. Major priority/goal achievements: _____

2. Job-related education/training completed during the year: _____

3. Indicate your priorities/goals for the next year: _____

4. Priorities/goals set by you and your supervisor for the next performance period (to be completed during your JPR): _____

PART III: PERFORMANCE SUMMARY

Performance Strengths:

Performance Improvement Needs:

Recommended Action and Timetable for Improvement Needs:

PART IV: FUTURE PRIORITIES/GOALS (established and communicated for next performance period; may be revised or renegotiated during the year per dept. needs):

A. _____

B. _____

C. _____

D. _____

E. _____

EMPLOYEE COMMENTS: _____

EVALUATED BY (SUPERVISOR)	TITLE	DATE
MANAGER	TITLE	DATE
EMPLOYEE'S SIGNATURE (DOES NOT NECESSARILY MEAN CONCURRENCE)	TITLE	DATE

Non-Exempt

NAME		JOB TITLE		MASTER NUMBER	DEPARTMENT
SERVICE DATE / /	TIME UNDER YOUR SUPERVISION YRS. MOS.		DATES OF JPR PERIOD / / TO / /		DATE OF JPR CONFERENCE / /
SUPERVISOR			JOB TITLE		
TYPE OF REVIEW ANNUAL SPECIAL OTHER			REASON FOR SPECIAL REVIEW OR OTHER		

PART I: PERFORMANCE FACTORS

A. JOB KNOWLEDGE (Based on Job Description)

- Has a clear knowledge of the methods/responsibilities/tasks to be performed.

Standard: _____

Exceeds _____ Meets _____ Falls Short _____

Explain How: _____

- Demonstrates the skills necessary to perform the job.

Standard: _____

Exceeds _____ Meets _____ Falls Short _____

Explain How: _____

B. PRODUCTIVITY

- Quality (accuracy, thoroughness, neatness) and quantity (volume) of work meets departmental expectations without sacrificing one for the other.

Standard: _____

Exceeds _____ Meets _____ Falls Short _____

Explain How: _____

2. Assignments are completed on a timely basis with departmental controls and procedures being followed.

Exceeds _____ Meets Standard _____ Falls Short _____

Explain How: _____

C. INITIATIVE

1. Takes initiative to generate, complete and assume additional work without having to be reminded (self-starting).

Exceeds _____ Meets Standard _____ Falls Short _____

Explain How: _____

D. WORK/HUMAN RELATIONS

1. Cooperative, diplomatic, positive and courteous relationships with peers, supervisors, and customers.

Exceeds _____ Meets Standard _____ Falls Short _____

Explain How: _____

2. Maintains open communications with all related parties concerning work progress/problems/directives.

Exceeds _____ Meets Standard _____ Falls Short _____

Explain How: _____

E. ATTENDANCE/PUNCTUALITY/RELIABILITY

1. Reports to work regularly and notifies supervisor promptly of any necessary absences.

Exceeds _____ Meets Standard _____ Falls Short _____

Explain How: _____

2. Fully utilizes available work time; is punctual.

Exceeds _____ Meets Standard _____ Falls Short _____

Explain How: _____

SAFETY

1. Company safety standards are followed; employee maintains an appropriately clean, safe and orderly work area.

Meets Standard _____ Falls Short _____

Explain How: _____

PART III: NON-EXEMPT EMPLOYEE SELF-REVIEW (TO BE COMPLETED BY EMPLOYEE PRIOR TO JPR COMMUNICATION)

1. Employee's major accomplishments during year (include achievement of last year's goals): _____

2. Job-related training/courses completed during the year: _____

3. Indicate your goals for the next year: _____

4. Goals set by you and your supervisor for the next performance period (to be completed during your JPR):

A) _____

B) _____

C) _____

D) _____

E) _____

EMPLOYEE

--

SUPERVISOR

--

DATE

--

PART II: NARATIVE SUMMARY

- 1 Employee's greatest strengths: _____

- 2 Skills and/or factors requiring improvement: _____

- 3 Accomplishment of goals: _____

- 4 Goals established and communicated for next performance period (may be revised or re-negotiated during the year per dept. needs):
- A) _____

- B) _____

- C) _____

- D) _____

- E) _____

- 4 Employee Comments: _____

EVALUATED BY (SUPERVISOR)	TITLE	DATE
MANAGER	TITLE 39	DATE
EMPLOYEE'S SIGNATURE (DOES NOT NECESSARILY MEAN CONCURRENCE)	TITLE	DATE

Exempt

NAME		JOB TITLE		MASTER NUMBER	DEPARTMENT
SERVICE DATE / /	TIME UNDER YOUR SUPERVISION YRS. MOS.		DATES OF JPR PERIOD / / TO / /		DATE OF JPR CONFERENCE / /
SUPERVISOR			JOB TITLE		
TYPE OF REVIEW ____ ANNUAL ____ SPECIAL ____ OTHER			REASON FOR SPECIAL REVIEW OR OTHER		

DIRECTIONS

ACCOUNTABILITY: List each major duty/responsibility associated with the job (as outlined in job description).

GOAL: List a measurable performance standard or goal for each accountability; these goals should be achievable, understandable or controllable and are usually related to a specific time-frame; to be negotiated and communicated at least annually.

RESULTS: For each goal set, the level of performance achieved is documented by utilizing a method of observation or measurement (i.e., reports, computer print-outs, self-logs, deadlines, etc.).

(INPUT FROM OTHER SOURCES HAS BEEN SOUGHT, WHEN APPROPRIATE)

PART I: ACCOUNTABILITIES/GOALS/RESULTS

1. ACCOUNTABILITY: _____

GOAL: _____

RESULTS: _____

2. ACCOUNTABILITY: _____

GOAL: _____

RESULTS: _____

3. ACCOUNTABILITY: _____

GOAL: _____

RESULTS: _____

4. ACCOUNTABILITY: _____

GOAL: _____

RESULTS: _____

5. ACCOUNTABILITY: _____

GOAL: _____

RESULTS: _____

PART III: EXEMPT EMPLOYEE SELF-REVIEW (TO BE COMPLETED BY EMPLOYEE PRIOR TO JPR COMMUNICATION)

1. Major accomplishments during year (include accomplishments as they relate to prior year's goals): _____

2. Job-related education/training completed during the year: _____

3. Indicate your goals for the next year: _____

4. Goals set by you and your supervisor for the next performance period (to be completed during your JPR):

A) _____

B) _____

C) _____

D) _____

E) _____

EMPLOYEE	SUPERVISOR	42	DATE

PART II: EVALUATION OF SPECIFIC PERFORMANCE FACTORS

When completing this section, be sure to be as objective and specific as possible in evaluating the employee's effectiveness, or ineffectiveness, in each of the following performance factors:

JOB KNOWLEDGE (Relevant knowledge of job, use of required resources and equipment, etc.).

2. QUALITY/PRODUCTIVITY (Production of high quality work without sacrificing quantity, organization of work, etc.):

3. INTERPERSONAL SKILLS (Very diplomatic, good listener, flexible, positive attitude, supervisory abilities, etc.):

4. RELIABILITY (Highly motivated, self-regulating, self-starting, prioritizes, generates, etc.):

5. **GOALS** (established and communicated for next performance period; may be revised or re-negotiated during the year per dept. needs).

A) _____

B) _____

C) _____

D) _____

E) _____

6. **EMPLOYEE COMMENTS:** _____

EVALUATED BY (SUPERVISOR)	TITLE	DATE
MANAGER	TITLE	DATE
EMPLOYEE'S SIGNATURE (DOES NOT NECESSARILY MEAN CONCURRENCE)	TITLE 44	DATE

Non-exempt JPR form
used in Operations + QO

Employee Name _____
Department _____
Job Title _____

Employee # _____
Supervisor _____
Peer Group _____

EMPLOYEE PERFORMANCE REVIEW

3 = Outstanding 2 = Usually Very Good 1 = General Satisfactory 0 = Unsatisfactory

Area Evaluated	3	2	1	0	Times	Weight Factor	Overall Score
Safety					X		
Attendance					X		
Compliance GMP/SOPs					X		
Good Judgement					X		
Job Knowledge					X		
Personal Traits					X		
Quality of Work					X		
liability					X		
Teamwork					X		
Quantity of Work					X		
						Total	

Weight factors will be determined by supervisors of a given peer group.

Weight Factor:

- 3 = Highest Contribution to Overall Performance
- 2 = Important Contribution to Overall Performance
- 1 = Lowest Contribution to Overall Performance

Note: No score entered indicates employee's performance is unsatisfactory in that area.

Merrell Dow**Job Performance Review**

NAME		JOB TITLE		MASTER #		DEPARTMENT	
SERVICE DATE / /		TIME UNDER YOUR SUPERVISION YRS. MOS.		DATES OF JPR PERIOD / TO /		DATE OF JPR CONFERENCE / /	
SUPERVISOR				JOB TITLE			
TYPE OF REVIEW ANNUAL SPECIAL OTHER				REASON FOR SPECIAL OR OTHER REVIEW			

SAFETY

1. Understands and follows appropriate job safety standards when planning and performing work.

3	2	1	0

2. Participates in safety programs, e.g. attends department meetings, turns in suggestions, safety committee member.

3	2	1	0

3. Recognizes and corrects unsafe conditions promptly.

3	2	1	0

4. Uses tools and equipment safely.

3	2	1	0

5. Safety record.

3	2	1	0

6. Maintains a clean and orderly work area.

3	2	1	0

3 2 1 0
SAFETY OVERALL RATING

--	--	--	--

ATTENDANCE**Absenteeism**

Perfect attendance is outstanding; Off more than 10 days on 5 plus occasions is very poor.

3	2	1	0

Tardiness

No tardiness is outstanding; late more than 5 times is very poor.

3	2	1	0

46
3 2 1 0
ATTENDANCE OVERALL RATING

--	--	--	--

GMP/SOP COMPLIANCE

1. Understands and follows SOPs applicable to employee's job, e.g. maintains equipment and area per SOPs.
2. Identifies and corrects situations which do not comply with SOPs.
3. Participates in developing and updating SOPs.
4. Understands and applies GMPs in the workplace.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3 2 1 0
GMP/SOP COMPLIANCE OVERALL

GOOD JUDGEMENT

1. Demonstrates good use of time, fills in slack time with small jobs.
2. Establishes priorities through organizational abilities.
3. Demonstrates problem solving abilities when confronted with situations out of the ordinary.
4. Volunteers practical suggestions for doing tasks in a better way.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3 2 1 0
GOOD JUDGEMENT OVERALL

JOB KNOWLEDGE

Versatility

1. Works to acquire additional knowledge via on the job training, or outside education.
2. Versatile, can work in more than one area.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

General Knowledge

1. Understands the system, e.g. methods, techniques.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Job Knowledge (continued)

2. Understands technology; can handle change from routine.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3. Understands operation of equipment.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

4. Requires little supervision.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

JOB KNOWLEDGE OVERALL

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

PERSONAL TRAITS

Adaptability

Accepts changes in routine positively and handles pressure well.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Criticism

Accepts criticism in a positive manner.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Initiative

Self motivated, starts on work/problem without prompting.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Attitude

Friendly, positive, supportive of company policies. Accepts peers and supervision.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Maturity

Free from extreme sensitivity and emotional outbursts, shows by actions and ability to accept responsibilities.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Ambition

Has shown an inquiry and interest in broadening the scope of job.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Leadership

Demonstrated an ability to take charge effectively in directing the activities of others.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

PERSONAL TRAITS OVERALL

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

QUALITY OF WORK

Accuracy and Detail

1. Accurate work, very few processing errors, labeling errors, math errors.
2. Demonstrates an attention to detail, thoroughness.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Improvement

1. Submits suggestions for improving quality.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Documentation

1. Completes all appropriate documentation such as BPR, LPR, test data, maintenance orders, and logbooks.
2. Documents any variation from normal, e.g. batch variations, order shortages.
3. Brings variations from normal to the attention of appropriate person.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

QUALITY OF WORK OVERALL

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

RELIABILITY

Dependability

1. How well does employee stick to job until assignments are completed.
2. Amount of follow-up required.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Work Habits

1. Follows rules in regard to start time, length of breaks, lunch, and quit time.
2. Follows rules in regard to personal use of telephone.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

RELIABILITY OVERALL

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

TEAMWORK

operation

1. Works well with fellow employees and supports them as needed.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

2. Willingness to accept assignments.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3. Helps train and answer questions of new employees.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

4. Supports supervision (supervisor, unit coordinator, group leader)

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Flexibility

1. Adjusts to changing conditions.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

2. Works overtime when needed.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

TEAMWORK OVERALL

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

QUANTITY OF WORK

1. Completes assigned tasks consistently within a reasonable time frame.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

2. Relative volume produced.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3. Works at a pace which is consistent with meeting departmental goals.

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

QUANTITY OF WORK OVERALL

3	2	1	0
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

NARRATIVE SUMMARY

Employee's greatest strengths _____

2. Skills and/or factors requiring improvement _____

3. Accomplishment of goals _____

4. Goals established and communicated for next performance period (may be revised or re-negotiated during the year per department needs)

A) _____

B) _____

C) _____

D) _____

Employee Comments: _____

Evaluated By (Supervisor)	Title	Date
(Does not necessarily mean concurrence)		
Employee Signature	Title	Date

MERRELL DOW RESEARCH CENTER - - Personnel Review

Name _____ Position _____

Evaluation by: self supervisor

Date _____

QUANTITY - How does volume of work compare with what should be expected, without regard to quality?

1. unsatisfactory
2. acceptable
3. volume above average
4. exceptional

QUALITY - Manner in which work is executed, accuracy and dependability of results.

1. unsatisfactory
2. acceptable
3. above average
4. outstanding

KNOWLEDGE - How well informed in own and related areas as shown by application to his work, including ability to learn.

1. inadequate
2. moderate knowledge, requires assistance
3. good
4. above average
5. excellent

DEPENDABILITY - How well can he be relied upon to meet obligations?

1. unreliable
2. reliable
3. can invariably be relied upon

INITIATIVE - Evaluate readiness and willingness to begin an action.

1. seldom sure what to do next
2. follower and routine worker
3. usually finds something useful to do
4. self-starter, sees what should be done and does it

CREATIVITY - Consider ability to grasp and apply new ideas and methods, to find new ways of doing jobs and adaptability to new situations.

1. resists changes
2. ready to try new ways
3. seeks new ideas and methods, resourceful

JUDGEMENT- Consider ability to evaluate research and draw attention of superior to details.

1. never participates
2. concerned with trivialities
3. conclusions often lack complete analysis of available information
4. carefully judges information, opinions sound
5. exceptional ability in judging information

REASONING - Evaluate ability to solve and bring attention to workaday situations and problems.

1. never participates
2. points out trivialities
3. handles problems well
4. shows exceptional skill in determination of and solving of problems

COOPFRATION - Consider the extent to which he works together with others in the department.

1. frequently non-cooperative
2. shows reluctance to cooperate
3. cooperative and helpful
4. does more than his share
5. exceptionally effective in working with others

PERSONALITY - Consider disposition, attitude, tact, courtesy, poise, enthusiasm, appearance, manner of speech and sincerity as they affect his associates.

1. creates an unfavorable impression
2. creates neither favorable nor unfavorable impression
3. acceptable
4. generally well liked and respected
5. highly regarded

LOYALTY - Consider his faithfulness to his work, company and associates.

1. unacceptable
2. generally acceptable
3. occasionally goes out of his way without being asked
4. superior

INTEGRITY - Consider courage to defend principles and well considered conslusions

1. knowingly or wilfully perjures his own opinions
2. tends to profess agreement with others against own judgment
3. expresses honest convictions when asked to do so
4. expresses and defends principles and opinions even under adverse conditions

DEVELOPMENT OF PEOPLE - Consider to what extent he recognizes and develops the possibilities of others.

1. contributes but little to their improvement
2. moderately successful in helping them improve
3. good success in helping them develop capabilities
4. unusually successful in developing people
5. not relevant

LEADERSHIP - Consider the extent to which he holds the respect and confidence of his people; his ability to inspire team-work and morale.

1. poor
2. secures limited cooperation
3. capable
4. inspiring leader
5. not relevant

PLANNING AND ORGANIZING -

1. needs improvement
2. competent on usual work
3. plans and organizes very well
4. unusual ability even under difficult conditions

WORK HABITS - Consider work neatness, care of equipment, safety practices.

1. unsatisfactory
2. reasonably careful and neat
3. habits are excellent

PUNCTUALITY AND ATTENDANCE -

1. unsatisfactory
2. satisfactory
3. excellent

WRITTEN COMMUNICATIONS -

1. very little opportunity
2. unsatisfactory
3. occasionally inadequate
4. fully adequate
5. unusually excellent
6. not relevant

ORAL COMMUNICATIONS -

1. unable to express scientific data and directions
2. limited difficulties but does not hinder progress
3. satisfactory
4. extremely able
5. not relevant

Has the company fully utilized the talents ☐ yes ☐ no ? Is he capable of a more challenging position? If yes, explain.

In order to become more professional and grow in the job, what development steps have been taken or should be taken in the near future?

Miscellaneous comments:

Reviewer's summary of points discussed and reactions:

What actions should be considered?

Signed by _____
Signed by _____
Signed by _____

EMPLOYEE ORIENTATION CHECK LIST

Merrell Dow



Name	Master No.	Date
Department	Supervisor	

TO THE SUPERVISOR: THIS IS A CHECK LIST OF IMPORTANT INFORMATION TO AID IN THE ORIENTATION OF NEW EMPLOYEES. THE ITEMS IN SECTION 1 HAVE BEEN REVIEWED WITH THEM IN THE DEPARTMENT INDICATED. SECTION 2 IS TO BE COMPLETED BY THE EMPLOYEE AND THE SUPERVISOR IN THE NEW DEPARTMENT. SPECIFIC ITEMS APPLICABLE TO INDIVIDUAL DEPARTMENTS SHOULD BE ADDED OR COVERED WHERE PERTINENT WHEN ORIENTATION HAS BEEN COMPLETED, THE FORM SHOULD BE SIGNED AND A COPY RETURNED TO EMPLOYEE RELATIONS.

Employee Signature	ER Rep. Signature	Date	SECTION 1 Completed by the Employee Relations Department		
			<ul style="list-style-type: none"> Employee Benefits: <ul style="list-style-type: none"> ___ Medical Ins. ___ Life -- Dep. Life ___ Dental Ins. ___ VGA ___ Travel Accident ___ LTD ___ Retirement ___ Stock Purchase Plan ___ DIBP ___ Tuition Refund ___ Vacations & Holidays ___ Pay Practices ___ Social Security 	<ul style="list-style-type: none"> ___ Worker's Comp ___ Credit Union ___ Savings Bonds ___ Taxes, Federal, State, City ___ Conflict of Interest ___ EEO Statement ___ Access to Controlled Substances ___ Employee Agreement ___ Background Check ___ Identification Card ___ Medical Examination ___ Time Recording ___ Parking Sticker/Location ___ Safety Policy & Booklet 	<ul style="list-style-type: none"> ___ Transcript ___ Issue Employee Handbook ___ Issue Secretary's Manual ___ Cafeteria / Canteen ___ JOP ___ Social / Recreation Program ___ Company Store ___ Employee Publications ___ Bulletin Boards ___ Employee Info Form ___ Scheduled for Group Orientation Program ___ Reporting changes (address, phone, etc.)

Employee Signature	Supervisor Signature	Date	SECTION 2 Completed by Employee's Department		
			<ul style="list-style-type: none"> ___ Injury Reporting ___ Safety Hazard Reporting ___ Toxic Substances ___ Employee Handbook Review ___ Access to Controlled Substances ___ Emergency Procedures ___ Safety Glasses/Shoes/ etc. ___ Defensive Driving 	<ul style="list-style-type: none"> ___ Off the Job Safety ___ Work Schedules/Breaks ___ Dept. Safety Program ___ Absence Notification ___ Security ___ Good Mfg. Practices ___ Pass Out Slips ___ Smoking Regulations 	<ul style="list-style-type: none"> ___ Lockers/Uniforms ___ Keys/Telephones ___ Dept. Org./Function ___ Lunch Periods / Breaks ___ Dept. Emergency Plans ___ First Day Lunch Partner ___ Job Responsibilities / Instructions
			Miscellaneous Optional Items as Applicable		
			<ul style="list-style-type: none"> ___ Library ___ Publications ___ Patents 	<ul style="list-style-type: none"> ___ Expense Accounts ___ Laboratory Notebooks ___ Mail Procedures 	<ul style="list-style-type: none"> ___ Review Secretary's Manual ___ Forklift License ___ Hazardous Waste Regulations

Merrell Dow

17 Mar

P.O. Box 156300, Cincinnati, Ohio 45215-6300, U.S.A., Telephone: (513) 948-9111 Telex: 214320

DATE: January 8, 1988
TO: Those Listed
FROM: Brenda Davidson
SUBJECT: **MANUFACTURING OPERATOR ORIENTATION SESSION
JANUARY 26 AND 27, 1988 IN PRODUCTION CONFERENCE ROOM**

Copies to: JE Brokaw PR Burke JK Fulks AL Hoyt
DJ Leuck MR Metz RJ Ryan LB Stadler

For info: WL Clark CA Portwood LW Schneider TR Sheldt

=====

To provide GMP, QO/QA, DEA, and Industrial Hygiene orientation to our new fulltime manufacturing operators, I am scheduling several orientation sessions throughout the hiring period so our new hires can receive a timely orientation close to their starting dates. The third session is scheduled for January 26 and 27, 1988. Tablet will be responsible for scheduling and notifying the new operators of this session. Currently, based on starting dates, 16 operators will attend the third session as listed:

- | | | |
|---------------------|--------------------|--------------------|
| 1. Doug Teagle | 2. Michael Johnson | 3. Tony Schinaman |
| 4. Ron Closser | 5. Carol Moon | 6. Vaughn Cooper |
| 7. Becky Schwertman | 8. John Kutcher | 9. Jim Hucke |
| 10. Amy Lawson | 11. Debbie Gilland | 12. Jerrard Walker |
| 13. John Arnicon | 14. Joe Schnatz | 15. Scott Casper |
| 16. Mark Geis | | |

The agenda is as follows:

17. Kevin Kenner
18. Rhonda Hutchison

Tuesday, January 26

8 - 9 am
9 - 12 noon
12 - 1 pm
1 - 4 pm

Safety
GMP
Lunch (on your own)
Quality Operations/Quality Assurance

1096
Dick Ryan/Paul Burke 7860
Jim Brokaw 7607
Marty Metz 7729
QO Personnel

Wednesday, January 27, 1988

8 - 9 am
9 - 10 am
10 - 12 noon

Industrial Hygiene
Controlled Substances/
DEA
GMP

~~Bob Zinser~~ John Nunn 6231
Joann Fulks 1172
Lou Stadler
Jim Brokaw

Thanks in advance for helping our new operators get off to a good start.

Kind regards,

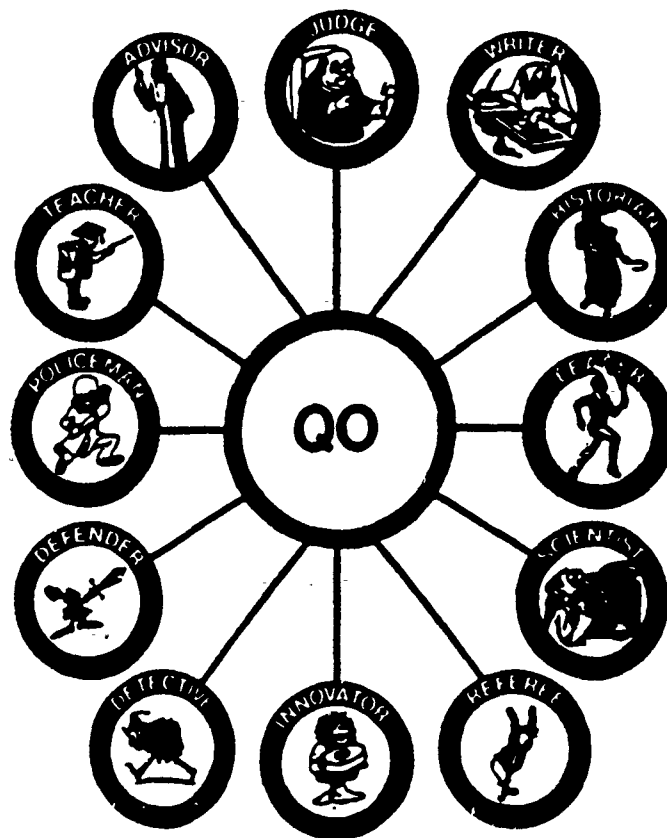
Brenda

Brenda Davidson

:jlg

56

**YOU ARE INVITED TO THE QUALITY OPERATIONS
EMPLOYEE ORIENTATION PROGRAM IN THE
READING RESEARCH BLDG 31 CONFERENCE ROOM
ON MARCH 4th AT 8:30 a.m.**



**TAKE THIS IMPORTANT OPPORTUNITY TO LEARN
ABOUT YOUR NEW COMPANY AND IN THIS SESSION
ABOUT THE MULTIFACETED PERSONALITY OF
QUALITY OPERATIONS**

**GOOD
MANUFACTURING
PRACTICE**

Orientation

for

New Operations

**Co-ops, Managerial & Technical
Employees**

March 8, 1988

Program Materials

For : Major Barbara Underwood

MANUFACTURING ORIENTATION
PROCESS

NEW EMPLOYEE'S MANUAL

MERRELL DOW PHARMACEUTICALS INC.

Barbara B. Underwood

March 7, 1988

TABLE OF CONTENTS

MERRELL DOW CORE VALUES
MDPI STRATEGY OGP'S
ORGANIZATION
JOB REQUIREMENTS/JOB DESCRIPTION
SAFETY OVERVIEW & SAFETY EQUIPMENT
SITE MAP OF FACILITIES
TERMINOLOGY
MERRELL DOW FACTS
PERFORMANCE RATING
POLICIES
MERRELL DOW PRODUCTS
DEMING'S 14 POINTS
BENEFITS
FIRST WEEK'S SOPs
AUDIT AND EVALUATION

Merrell Dow

P.O. Box 156300, Cincinnati, Ohio 45215-6300, U.S.A., Telephone: (513) 948-9111, Telex: 214320

March 7, 1988

Dear Major Underwood:

Welcome to Merrell Dow Pharmaceuticals Inc. We are pleased to have you as a team member of our Liquid Products manufacturing group.

The information contained in this booklet is designed to supplement your employee relations orientation process. It is our desire in manufacturing to stress our commitment to product quality and excellence, and to invite your personal involvement as a vital, active participant in furthering that commitment.

The very nature of the products we manufacture and package set a high standard requiring strict adherence to Federal Regulations of the Food and Drug Administration (FDA) and the Drug Enforcement Agency (DEA). Meeting those standards requires individual accountability to product integrity in such areas as quality, waste elimination, cleanliness, formulation, labeling and production control. You will receive the necessary supervision and training to facilitate your performance in assuring Good Manufacturing Practice (GMP)... a term you will hear many times...not just in your orientation, but in every phase of your work.

This booklet contains some basic facts about Merrell Dow and its competitive position in the pharmaceutical industry. To remain competitive and to insure steady long term growth and profitability, it is absolutely essential that a daily, persistent search for continual quality/product improvement be pursued at all levels...by everyone...on all products. That philosophy is central to the manufacturing group, and we ask you to join us in making a personal commitment to that objective. In doing so, you will help assure our continuing success as a company...and, in turn, YOUR success as an individual.

Good luck.

Sincerely,


Steve Dyer
Superintendent
Liquid Products

6/22/87

II

5

NEW TEAMWORK EMPHASIS

You may have noticed that Warren Clark and his staff were at an off-site meeting Wednesday through Friday of last week. These managers spent those three days working on further improving their teamwork skills. In Operations we want to continue to increase the emphasis on teamwork.

One primary ingredient of a successful team is a statement of mission which will keep the team focused on a central purpose. The following is the mission statement developed by this team for Operations.

OPERATIONS MISSION

OUR MISSION IS TO BE A TEAM THAT CONTINUOUSLY IMPROVES THE DEVELOPMENT, PRODUCTION, DISTRIBUTION, AND SERVICES NECESSARY TO PROVIDE QUALITY PHARMACEUTICAL PRODUCTS FOR OUR CUSTOMERS' HEALTH AND OUR MARKETS' CHANGING NEEDS.

It is our intention that all of the Operations team relates with the statement of mission. Please discuss how your team identifies with the mission.

Warren Clark Dan Kuhn Bob Weber
Larry McKelvie Terry Schindler Ray Troninger
Bill Flohr Steve Dyer Len Schallick
Jerry Mushaben

JOB R' REMENTS
JOB DL PTION

MDPI OPERATIONS

OPERATOR RESPONSIBILITIES AND EXPECTATIONS

As an operator it is important for you to have a clear understanding of your responsibilities and what is expected of you. With this in mind the following general list of responsibilities and expectations have been prepared.

BASIC RESPONSIBILITIES

1. SAFETY
2. QUALITY
3. MORALE
4. PROFITS/COST CONTROL
5. PRODUCTIVITY
6. ECOLOGY
7. TECHNOLOGY
8. SECURITY

QUALITIES AND SKILLS

To carry out your duties and responsibilities effectively the following list of qualities and skills need be present in sufficient amounts. This is not to say that this list is all-inclusive but is a good overall list. It would be safe to say that few, if anyone, has all these qualities, however these qualities are worth striving for.

LEADERSHIP

Leadership is the ability to win the interest and respect of others, influencing people in a positive way, selling ideas, understanding others and utilizing that understanding in dealing with them. A leader has organizing ability to bring things, ideas and people together to accomplish a goal.

POSITIVE ATTITUDE

An operator should make his/her attitude their ally, have an, "I can do" attitude, broadcast good news, deal with problems in a problem solving manner using facts and data not emotions, think progress, believe in progress, push for progress, be flexible try new ideas and above all show enthusiasm for the job you are doing. The overall good of the Company should guide and direct you in your goal setting. Your work should be done with a sense of urgency to set a good example for others. Avoid the "not invented here" attitude.

INTELLECTUAL ABILITY

The ability to think, to reason, to solve problems, to aggressively follow-up on problems to see matters get solved, to make sound decisions, to spell out ideas with precision, ability to see more than one side of an issue, sort out important information from irrelevant information.

INITIATIVE

To succeed as an operator one must be self-starting, imaginative and have confidence in him or her self and co-workers.

DEPENDABILITY

This is an uncompromising fact, that an operator must be dependable both to his or her supervision and co-workers. This means that work needs to be done on time and completed to one's best ability. Be to work on time, don't leave early, give full day's work for a full day's pay.

HIGH WORK STANDARDS

If you are doing your best you will not have to compromise for second best from the people working for you. Remember, good is not good enough, because our competitor will be working to be better. Watch housekeeping, practice and preach orderliness. Have a place for everything and keep everything in its place. Keep the plant and grounds clean and neat.

HIGH MORAL STANDARDS

High moral standards are a must. If you are honest and fair, others are more likely to be the same way.

DISCIPLINE

Discipline is sometimes necessary and will be considered as a management tool when other measures fail. It is our intent to be consistent and fair with our disciplinary measures.

SAFETY

Plan safety into your work don't let it happen by chance. Supervisors must enforce our safety standards, even if they are more strict than other existing local, state or federal laws.

SETTING PRIORITIES

To be able to set priorities consistent with the plants priorities, you must communicate well and know the operations goals and objectives. An operator must help set priorities to accomplish the desired goals in an effective and cost effective way. Plan your work to minimize overtime; to help control costs. The key to running at high efficiency is to plan ahead and set priorities.

COMMUNICATIONS

There has probably been more written about communications than any other subject when it comes to how to succeed in business,. The best idea, plan or thought in the world will go unnoticed if it is not communicated. If you are to error in the communication field, error on the over communication side not the under, Use the log book. Let people know what you have done or what needs to be done. Communicate your ideas, suggestions and observations, you are responsible to communicate.

PLANS TO IMPROVE PERFORMANCE

Supervisor _____

Employee _____

DEMING'S 14 POINTS

14 Points for Continuous Improvement

By Dr. W. Edwards Deming

The 14 points apply anywhere, to small organizations as well as to large ones. The management of a service industry has the same obligations and the same problems as management in manufacturing.

1. Create constancy of purpose toward improvement of product and service, with a plan to become competitive and to stay in business. Decide who top management is responsible to.
2. Adopt the new philosophy. We are in a new economic age. We can no longer live with commonly accepted levels of delays, mistakes, defective materials, and defective workmanship.
3. Cease dependence on mass inspection. Require, instead, statistical evidence that quality is built in, to eliminate need for inspection on a mass basis. Purchasing managers have a new job. and must learn it.
4. End the practice of awarding business on the basis of price tag. Instead, depend on meaningful measures of quality, along with price. Eliminate suppliers that can not qualify with statistical evidence of quality.
5. Find problems. It is management's job to work continually on the system (design, incoming materials, composition of material, maintenance, improvement of machine, training, supervision, retraining).
6. Institute modern methods of training on the job.
7. Institute modern methods of supervision of production workers. The responsibility of foremen must be changed from sheer numbers to quality. Improvement of quality will automatically improve productivity. Management must prepare to take immediate action on reports from foremen concerning barriers such as inherited defects, machines not maintained, poor tools, fuzzy operational definitions.
8. Drive out fear, so that everyone may work effectively for the company.
9. Break down barriers between departments. People in research, design, sales, and production must work as a team, to foresee problems of production that may be encountered with various materials and specifications.
10. Eliminate numerical goals, posters, and slogans for the work forces, asking for new levels of productivity without providing methods.
11. Eliminate work standards that prescribe numerical quotas.
12. Remove barriers that stand between the hourly worker and his right to pride of workmanship.
13. Institute a vigorous program of education and retraining.
14. Create a structure in top management that will push every day on the above 13 points.



AUDIT AND EVALUATION



**Manufacturing Orientation
Process
Merrell Dow Pharmaceuticals**

ORIENTATION AUDIT

The objective of this book has been to communicate to you, the new employee, necessary basic information for your effective orientation into the Merrell-Dow manufacturing group. Communication is a two way street, and we ask you to give us the following feedback. Your constructive criticism and comments are helpful and will be appreciated. Return this form to your supervisor promptly.

Q. THE DOW CORE VALUES CONCENTRATE ON THESE FOUR AREAS: _____,
_____, _____, and _____

Q. DEMING'S 14 POINTS PRIMARILY PROMOTE:

- A. CAREER ADVANCEMENT?
- B. SHORT TERM RESULTS?
- C. CONTINUOUS IMPROVEMENT?

CIRCLE ONE: A&B A&C B&C OR C

Q. COMPLETE THIS SENTENCE: SAFETY IS A _____ RESPONSIBILITY
OF EACH EMPLOYEE.

Q. THE MANUFACTURING ORGANIZATION IS DIVIDED INTO THE FOLLOWING THREE CATEGORIES:
_____ PRODUCTS, _____ PRODUCTS, AND _____ PRODUCTS.

Q. THE SOPs THAT YOU SHOULD REVIEW DURING YOUR FIRST WEEK AT MERRELL DOW ARE
GENERALLY REFERRED TO IN TWO BROAD CATEGORIES:

- A. _____
- B. _____

Q. TWO PERSONAL ITEMS OF SAFETY EQUIPMENT THAT YOU MUST SECURE AND USE IN ALL
MANUFACTURING AND PACKAGING LOCATIONS ARE _____ and _____.

Q. THE ONE PERSONAL ITEMS YOU MUST NEVER WEAR IN ANY MANUFACTURING AND PACKAGING
AREA IS: _____?

(over)

**Manufacturing Orientation
Process**
Merrell Dow Pharmaceuticals

EVALUATION

1. WAS THE ORIENTATION SCHEDULE ARRANGED FOR YOU AS SHOWN IN THE FRONT OF THE BOOK MAINTAINED AND FOLLOWED? IF NOT EXPLAIN: _____

2. WAS INFORMATION GIVEN CLEAR AND IN SUFFICIENT DETAIL? IF NOT EXPLAIN _____

3. IN WHAT WAYS DID WE FAIL, MEET, OR EXCEED YOUR ORIENTATION EXPECTATIONS?

4. WHAT ITEMS OF INFORMATION WOULD YOU INCLUDE THAT WERE OMITTED FROM THIS BOOK? _____

5. HOW DO YOU FEEL THIS BOOK CAN HELP YOU IN THE FUTURE? _____

6. WHAT WAS THE MOST USEFUL AND LEAST USEFUL INFORMATION? _____

7. DESCRIBE HOW YOUR SUPERVISOR, OR OTHER PERSONS INVOLVED WITH YOUR ORIENTATION PROCESS, MAXIMIZE THE USE OF THIS BOOK? _____

Manufacturing Orientation

Process

Merrell Dow Pharmaceuticals



SALARIED EMPLOYEES HANDBOOK

This handbook is the property of Merrell Dow and must be returned to the Employee Relations department when leaving the company.

Merrell Dow

MERRELL DOW PHARMACEUTICALS INC.
Subsidiary of The Dow Chemical Company
Cincinnati, Ohio 45215

TABLE OF CONTENTS

	Page
A MESSAGE FROM THE PRESIDENT	1
EQUAL EMPLOYMENT OPPORTUNITY	2
ABOUT THIS HANDBOOK	3
THE DOW CHEMICAL COMPANY	4
MERRELL DOW PHARMACEUTICALS INC.	6
TWO PRINCIPLES OF OUR BUSINESS	8
Product Stewardship	8
The Dow Chemical Company	8
Product Integrity	8
Merrell Dow Pharmaceuticals Inc.	11
SAFETY/SECURITY/LOSS PREVENTION	11
Safety & Loss Prevention	11
Supervisor Responsibility	12
Accident Reporting	13
Workers' Compensation	13
Housekeeping	14
Safety Equipment	14
Fire Protection	15
Civil Defense	15
Spills, Leaks, Breaks, and Fumes	16
Bomb Threat	16
Identification	17
After Hours Access	17
Limited Access Areas	17
Pass-Out Slips	17
Visitors	18
Proprietary Information	18
Patents and Inventions	19
Conflict of Interest	20
Clearance for Publications, Talks and Photos	20
YOUR JOB	21
Job Security	22
Pay for Performance	23

QUALITY OPERATIONS

TECHNOLOGY	COMPLIANCE	QUALITY CONTROL	QUALITY ASSURANCE	QUALITY SYSTEMS
- TECH CENTER SUPPORT	- DEA	- ANALYTICAL DEVELOPMENT	- PRODUCT AUDIT	- MASTER DOCUMENTS
- PRODUCT DEVELOPMENT COORDINATION	- ATF	- CHEMICAL CONTROL	- GMP AUDIT	- SYSTEMS
- PROCESS VALIDATION	- USP COMMUNICATIONS	- MICRO CONTROL	- RECORDS/RELEASE	- SOP's/ TRAINING
- REGULATORY		- GLOBAL AD	- GMP SERVICE	
			- PMQA	

HOW DOES QO DO IT

THROUGH AN ORGANIZED, COORDINATED AND DYNAMIC
TOTAL COMPANY QUALITY ASSURANCE SYSTEM ENCOMPASSING
MULTI-DISCIPLINE ACTIVITIES DESIGNED TO ENSURE:

- THE ESTABLISHMENT OF NECESSARY CRITERIA
BEFORE MANUFACTURE.
- THE CONTROL OF CRITICAL FACTORS DURING
MANUFACTURE.
- THE EVALUATION OF RESULTS AFTER MANUFACTURE.
- THE DOCUMENTED SUPPORT FOR EACH OF THESE
PHASES FOR EACH OF OUR PRODUCTS.

WHY DOES QO DO IT

TO PROVIDE THE HIGHEST PRACTICAL LEVEL OF:

- CONSUMER PROTECTION.
- MANAGEMENT PROTECTION, INDIVIDUALLY AND COLLECTIVELY.
- COMPLIANCE WITH THE LAW.

VENDOR CERTIFICATION

I. DEFINITION

WORKING WITH QUALITY VENDORS TO ESTABLISH DOCUMENTED MANUFACTURING CONTROLS OF CRITICAL PROCESSES IN THEIR PLANT TO ASSURE ACCEPTABLE MATERIALS.

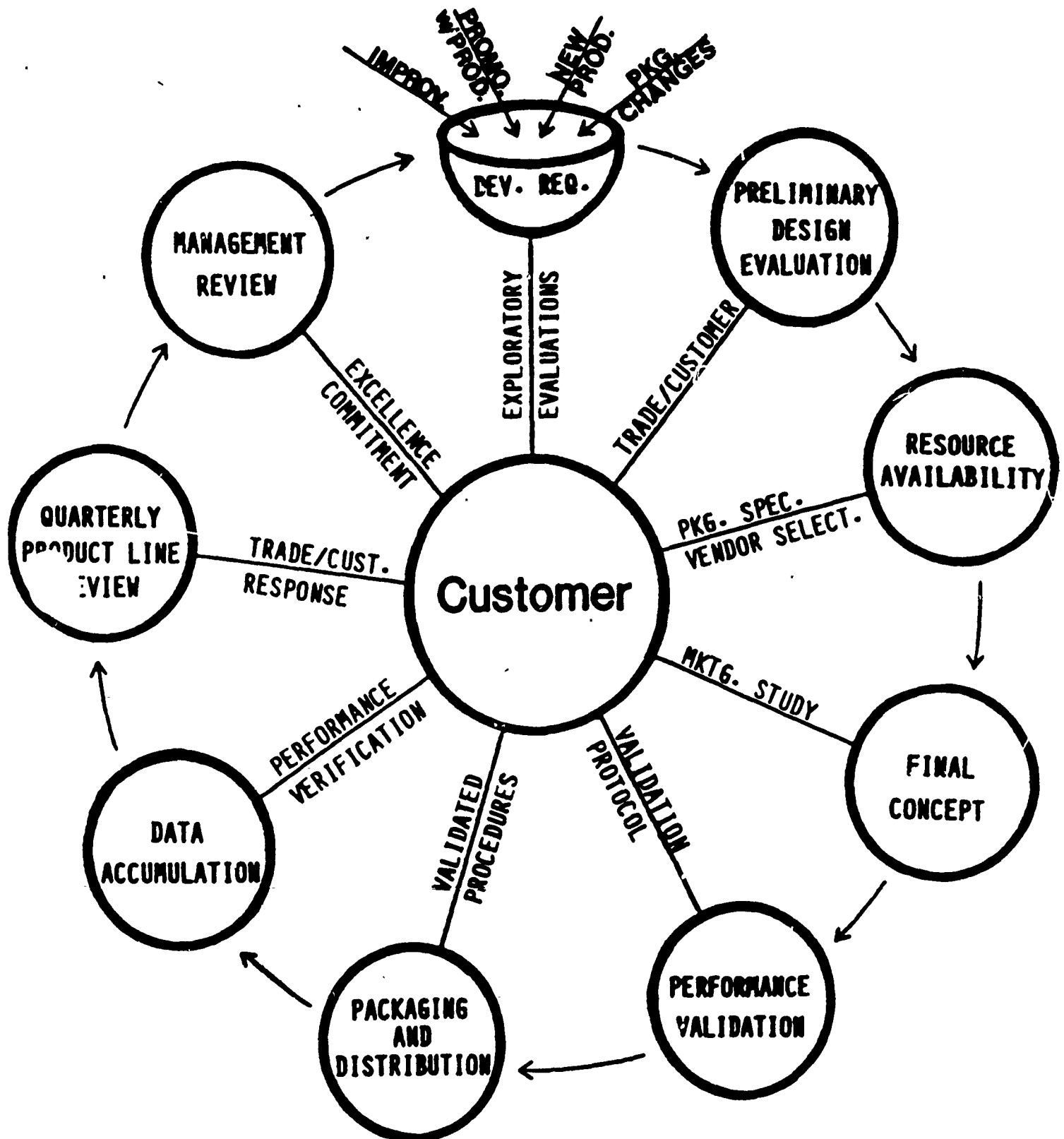
II. OBJECTIVE

SUCCESSFUL IMPLEMENTATION WOULD ULTIMATELY LEAD TO:

- A. VENDOR RESPONSIBILITY FOR QUALITY OF PRODUCT THROUGH SELF-INSPECTION PROGRAM.
- B. IMPROVED QUALITY THROUGH BETTER KNOWLEDGE AND CONTROL OF VENDOR PROCESSES.
- C. REDUCED TESTING OF MATERIALS THROUGH ACCEPTANCE OF RECEIPTS USING VENDOR'S PROTOCOL.
- D. REDUCED WASTE IN REJECTED MATERIAL, INVENTORY, DUPLICATE TESTING.

AESTHETICS

PACKAGE PERFORMANCE CYCLE



1/16/87

CUSTOMER INFORMATION CENTER MEASUREMENTS

Productivity/efficiency

Number of contacts
- per unit of time
- per employee

* Turnaround time per written response

Turnaround time for all responses

Number of calls
- per unit of time
- per employee

Number of busy signals

* ? Length of time on hold *ACD log measure % of time (sec.) caller waits in queue (hearing recording)*

* Timeliness of reports - % of reports issued within time guidelines

Accuracy

* Errors per contact - written
* - typos, grammar, spelling
- appropriateness
- internal (audit)
- customer survey

Policy and Product Knowledge

* % correct answers/responses (role plays/tests)

Impact

Number of times our reports influenced change
- packages
- promotions
- product
- sales strategy
- policy

% recommendations implemented

* measurable, reflects quality

THE EMPLOYEE DEVELOPMENT PROCESS

GUIDE

1988/89

ROLE OF EMPLOYEE DEVELOPMENT

MISSION

To enhance the knowledge and skill of Merrell Dow Employees through training and development processes in order to maximize their achievement of personal and Company objectives.

TRAINING & DEVELOPMENT: Identifying, assessing, and, through planned learning, helping employees develop the key competencies which enable them to perform current or future jobs.

OBJECTIVES

To assist in the improvement of productivity at Merrell Dow.

To provide training to assure the continuity of leadership necessary to meet the needs of a growing company.

To cultivate new skills, attitudes, and abilities in Merrell Dow.

To prevent obsolescence of skills, abilities, and methods by training employees as needed.

To assist in improving the quality of work life at Merrell Dow.

To assist managers with the ongoing development of their subordinates.

THE EMPLOYEE DEVELOPMENT PROCESS GUIDE

1988-89

INDEX

EMPLOYEE DEVELOPMENT LEARNING MODULES

Administrative

- Conflict Resolution
- Goal Setting
- Leadership Styles
- Negotiating Skills
- Team Development
- Today's Professional Secretary
- Understanding People - Yourself And Others

Communication

- Effective Listening Skills Workshop
- Effective Reading Skills Workshop
- Effective Writing Skills Workshop A & B
- Employee Presentation Skills Workshop
- Telephone Communication Skills Workshop
- Platform Skills

Employee Orientation

EEO Training

- Discipline And Discharge
- Preventing Sexual Harassment
- Promotion And Transfer
- Recruitment, Selection, and Placement

Personal

- Challenge of Retirement
- Financial Planning
- Financial Planning II
- Health And Safety
- Housing And Life-styles
- Investment Strategies
- Legal Affairs
- Meaningful Use Of Time
- Merrell Dow Retirement Benefits
- Merrell Dow Retirement Benefits II
- Social Security
- Social Security II
- Wrap Up

Supervisory Skills

- Creating High Performance Teams
- Day-To-Day Supervision Skills I
- Day-To-Day Supervision Skills II
- Delegation
- Leadership And Influence
- Managing Interpersonal Relationships
- Managing Performance
- Motivational Problems
- Situational Leadership
- Targeted Selection

EMPLOYEE DEVELOPMENT PROCESSES

- Building Effective Work Team Environments
- Employee Communication Process
- Employee Orientation Process
- Fair Employment Practice Process
- Graduate Preretirement Seminar
- Special Opportunities After Retirement
- Supervisory Development Process

EMPLOYEE DEVELOPMENT RESOURCE LIBRARY

- Books
- Computer Programs
- Reference Books
- Self-Study Programs
- Video Tapes 1/2"
- Video Tapes 3/4"

REGISTRATION FORMS



Quality

Performance

Means More At Dow.



DOW CHEMICAL U.S.A.

QUALITY STARTS HERE

Quality, like safety, is an ingrained attitude, the results of which have a positive impact on all Dow employees and customers. Quality Performance has become one of the major ingredients in satisfying the needs of both groups. It is an essential ingredient of everyone's job, and when implemented properly, results in "doing it right the first time."

Over the past several years we have aggressively pursued the broad objective of becoming our customers' #1 supplier across many fronts. The slogan, "Quality Performance... Means More at Dow," is becoming a reality. As a result, our ability to serve the needs of our customers has gotten better, and will continue to do so at an accelerated pace.

One of the many ways this has been accomplished has been through effective communication and training programs, and commitment across all functional disciplines. The enclosed reprint is an example of this commitment. It was included as a Dow-sponsored special report in the March 1986 edition of *CPI Purchasing* magazine — an edition that was devoted to the subject of quality. This special report, "Quality Coaches," is a summary of the teachings of four recognized quality experts. While not in total agreement regarding methods, the four "coaches" do agree that quality is a necessary and cost effective strategy that is key to business success. We concur 100%.

Enjoy.

Sincerely,

Enrique J. Sosa
Commercial Vice President
Specialties

William S. Stavropoulos
Commercial Vice President
Basics

A • M • E • R • I • C • A • S

Quality Coaches



Illustration: Sam Vivian

A look at their game plans for turning firms into winners

Quality, the cornerstone of competitive strategy for firms that hope to survive the 20th century, is having a profound effect on the way companies are managed. American business is being drawn into the quality revolution by the ever-growing expectations of customers around the world, who are demanding high quality products and services at low prices. For those that succeed, the evidence shows clearly that quality has become the key to increasing both market share and profits.

While some U.S. firms have turned to promotional gimmicks to improve their quality image, many are making dramatic changes and finding that a real commitment to meeting higher quality goals also results in higher productivity, lowering costs.

A small group of "quality experts" have been saying for years that quality is a cost effective and necessary business strategy. Today, a growing number of U.S. firms are following the coaching of these experts in an effort to compete. Four of the most sought after "quality coaches" are W. Edwards Deming, Joseph M. Juran, William E. Conway, and Philip B. Crosby.

All of them recognize that there are no short cuts to quality, and that the improvement process is a never-ending cycle, requiring the full support and participation of individual workers, whole departments, and, most importantly, top management. Beyond that, the four coaches disagree about how best to go about improving quality. This report presents their individual "game plans" for American business.

This report on quality is sponsored by Dow Chemical Company

A • M • E • R • I • C • A • S

Quality Coaches



In the 1940's, Juran pointed out that the technical aspects of quality control had been well covered, but that firms did not know how to manage for quality.

Joseph M. Juran was born 81 years ago in Rumania, and came to the United States in 1912. After studying electrical engineering and law, he rose to chief of the inspection control division of Western Electric Co. and professor at New York University. Juran, like Deming, is credited with part of the quality success story of Japan, where he went in 1954 to lecture on how to manage for quality. He is the author of numerous books on quality and management, as well as editor of the 'Quality Control Handbook.' In 1979, he founded the Juran Institute, which conducts quality training seminars.

According to Juran, there are two kinds of quality: "fitness for use" and "conformance to specifications." To illustrate the difference, he says a dangerous product could meet all specifications, but not be fit for use.

Juran was the first to deal with the broad management aspects of quality, which distinguishes him from those who espouse specific techniques, statistical or otherwise. In the 1940's, he pointed out that the technical aspects of quality control had been well covered, but that

firms did not know how to manage for quality. He identified some of the problems as organization, communication, and coordination of functions — in other words, the human element. According to Juran, "An understanding of the human situations associated with the job will go far to solve the technical problems; in fact such understanding may be a prerequisite of a solution." For example, an inspector may incorrectly interpret the specifications and thus subvert quality control efforts, or worse, he may knowingly protect favored operators or suppliers.

Juran talks about three basic steps to progress: structured annual improvements combined with devotion and a sense of urgency, massive training programs, and upper management leadership. In his view less than 20% of quality problems are due to workers, with the remainder being caused by management. Just as all managers need some training in finance, all should have training in quality in order to oversee and participate in

quality improvement projects. And top management should be included because, "all major quality problems are interdepartmental." Moreover, pursuing departmental goals can sometimes undermine a company's overall quality mission, he says.

Companies should avoid "campaigns to motivate the workforce to solve the company's quality problems by doing perfect work," says Juran, because these "exhortation only" approaches and slogans "fail to set specific goals, establish specific plans to meet these goals, or provide the needed resources." He notes, however, that upper managers like these programs because they do not detract from their time.

Juran favors the concept of quality circles because they improve communications between management and labor. He also recommends using statistical process control, but warns that it can lead to a "tool-oriented" approach. Juran does not believe that "quality is free." He explains that because of the law of diminishing re-

Juran's 10-steps to quality improvement

1. Build awareness of the need and opportunity for improvement.
2. Set goals for improvement.
3. Organize to reach the goals (establish a quality council, identify problems, select projects, appoint teams, designate facilitators).
4. Provide training.
5. Carry out projects to solve problems.
6. Report progress.
7. Give recognition.
8. Communicate results.
9. Keep score.
10. Maintain momentum by making annual improvement part of the regular systems and processes of the company.

*A company
cannot produce
greater precision in
vacuo; it must
secure greater
precision from its
suppliers.*

Joseph M. Juran

turns, there is an optimum point of quality, beyond which conformance is more costly than the value of the quality obtained.

He recognizes purchasing's important role in quality improvement. "A company cannot produce greater precision in *vacuo*; it must secure greater precision from its suppliers." Juran also recognizes that purchasing's task can be much more complex than ordinarily assumed. For example, he addresses the problems of assessing the quality of contractors competing for big one-of-a-kind projects, as well as how to deal with unexpected changes in specifications.

Typical of his penchant for looking at the "big picture," Juran points out that at the same time that buyers are recognizing the need for better communications with suppliers, more and more of these suppliers are foreign firms. This puts up potential barriers to communications due to language and other cultural differences. He also points to different technological standards throughout the world and the fact that international standardization is lengthy and slow.

Juran is not in favor of single sourcing for important purchases, which he defines as product-related items such as raw materials or components. "For important purchases it is well to use multiple sources of supply. A single source can more easily neglect to sharpen its competitive edge in quality, cost, and service," he says.

Training for purchasing managers should include techniques for rating vendors, according to Juran, and he adds that rating vendors is only half of the process. The customer must also "make the investment of time, effort and special skills to help the poor vendors improve."

To qualify vendors on quality, purchasing needs to do a formal survey to insure that the vendor can consistently manufacture to specifications. Comparing U.S. and Japanese vendor qualifying practices, Juran says those in the United States are not as effective. "To predict vendor adequacy, U.S. firms studied the suppliers' systems — organization, written procedures, manuals, audits and so on. The Japanese firms looked at process capabilities, process controls, acceptance of teamwork relationships, extent of quality control training, and quality of prior deliveries." He is critical of arms-length and adversary relationships with vendors, and says they should be part of the team.

The Juran Institute teaches a project-by-project, problem-solving, team method of quality improvement, in which upper management must be involved. "The project approach is important. When it comes to quality, there is no such thing as improvement in general. Any improvement in quality is going to come about project by project and no other way," says Juran.



Philip B. Crosby is the 59-year-old quality expert best known for coming up with the concept of zero defects in the early 1960's when he was in charge of quality for the Pershing missile project at Martin Corp. In 1965, he went to ITT as director of quality, and left in 1979 to form Philip Crosby Associates. He got into consulting and writing because "I was tired of hearing how the United States was going down the chute." His book, "Quality Is Free," has sold more than one million copies.

According to Crosby's definition, quality is conformance to requirements, and it can only be measured by the cost of non-conformance. "Don't talk about poor quality or high quality. Talk about conformance and non-conformance," he says. This approach means that the only standard of performance is zero defects.

If he had to sum up in a single word what quality management is all about, Crosby says the word would be "prevention." Whereas the conventional view says quality is achieved through inspection, testing, and checking, he says that pre-

Whereas the conventional view says quality is achieved through inspection, testing, and checking, Crosby says that prevention is the only system that can be utilized.

A • M • E • R • I • C • A • S Quality Coaches

vention is the only system that can be utilized. And when Crosby says "prevention" he means "perfection." There is no place in his philosophy for statistically acceptable levels of quality. "People go to great elaborate things to develop statistical levels of compliance. We've learned to believe that error is inevitable, and to plan for it." But, he says, "There is absolutely no reason for having errors or defects in any product."

Crosby talks about a quality "vaccine" that firms can use to prevent nonconformances. The three ingredients of this vaccine are determination, education, and implementation. He points out that quality improvement is a process not a program, saying, "Nothing permanent or lasting ever comes from a program."

He says quality is management's responsibility, and that "We have to be as concerned about quality as we are about profit." He is doubtful, however, that this

We have to be as concerned about quality as we are about profit.

Phillip B. Crosby

change in attitude will occur in this generation because most companies continue to compound quality problems by "hassling" their employees, which renders them demotivated by the "thoughtless, irritating, unconcerned way they are dealt with." Crosby says a committed management can obtain a 40 percent reduction in error rates very quickly from a committed workforce, while eliminating the remaining

error takes a little more work.

One misconception concerning Crosby is that he is primarily advocating prodding workers into performing better. He explains the root of this misconception, saying, "Unfortunately, zero defects was picked up by industry as a 'motivation' program." In 1964, the Japanese adopted zero defects, and Crosby says they were the only ones who correctly applied it — as a management performance standard rather than a motivation program for employees.

Crosby says that in purchased items, at least half of quality problems are caused by not clearly stating what the requirements are. Since defects are defined as deviations from the published, announced, or agreed-upon requirements, a lot of effort and thought should go into those requirements. In this, he points to the example of Japan, where "they treat the supplier as an extension of their own business."

As it is now, he says, "Half of the rejections that occur are the fault of the purchaser." For this reason, Crosby recommends rating buyers as well as vendors. "In tracking purchasing agents you find that they have a built in defect rate," he explains.

Visiting a potential supplier to conduct a quality audit is next to useless, according to Crosby. "Unless the vendor is a complete and obvious disaster area, it is impossible to know whether their quality system will provide the proper control or not."

Philip Crosby Associates offers company-wide training through its Quality College, and is now expanding from management training to supplying training materials and training instructors.

Crosby's 14 steps to quality improvement

1. Make it clear that management is committed to quality.
2. Form quality improvement teams with representatives from each department.
3. Determine where current and potential quality problems lie.
4. Evaluate the cost of quality and explain its use as a management tool.
5. Raise the quality awareness and personal concern of all employees.
6. Take actions to correct problems identified through previous steps.
7. Establish a committee for the zero defects program.
8. Train supervisors to actively carry out their part of the quality improvement program.
9. Hold a 'zero defects day' to let all employees realize that there has been a change.
10. Encourage individuals to establish improvement goals for themselves and their groups.
11. Encourage employees to communicate to management the obstacles they face in attaining their improvement goals.
12. Recognize and appreciate those who participate.
13. Establish quality councils to communicate on a regular basis.
14. Do it all over again to emphasize that the quality improvement program never ends.



William E. Conway is a relative newcomer to the quality game. Born 60 years ago, he graduated from Harvard and the U.S. Naval Academy before beginning a business career that would lead him to the top as president and chairman of Nashua Corp. In 1979, he invited Dr. Deming to Nashua Corp. to help improve the firm's quality. The visits lasted three years, and in 1983, he founded Conway Quality, Inc. Because of his close association with Deming, he is sometimes described as a "Deming disciple," but Conway has developed his own plan for quality improvement.

He does not talk in terms of a specific definition of quality per se. Instead, he incorporates that into his broad definition of quality management, which he says is "development, manufacture, administration, and distribution of consistent low cost products and services that customers want and/or need." Quality management also means constant improvement in all areas of operations, including suppliers and distributors, to eliminate waste of material, capital, and time. The wasting of

time is, by far, the biggest waste that occurs in most organizations, according to Conway. Excess inventory is another important form of waste because, he says, 60 percent of the space commonly used is not needed, yet a company must pay for it, pay to maintain it, and pay taxes on it.

Taking the view of the man who has been there at the top of a corporation, Conway talks about the "right way to manage" rather than simply how to improve quality. He says the biggest problem is that top management is not convinced that quality increases productivity and lowers costs. Furthermore, they

feel they don't have time to deal with the problem. "The bottleneck is located at the top of the bottle."

What is required is creation of a new "system of management," whose primary task is continuous improvement in all areas. This, he says, is the most important change, and means changing all the unwritten rules in a company, and giving people positive reinforcement. "People work in the system, management works on the system. Workers will welcome the change," promises Conway. And while critical of U.S. management, he recognizes that "management wants and needs real help — not destructive criticism."

Conway is a strong advocate of using statistical methods to achieve quality gains, and says that one of the greatest handicaps lies in attempting to deal with productivity and quality in generalities. "The use of statistics is a common sense way of getting into specifics," he says, adding, "Statistics don't solve problems. They identify where the problems are and point managers and workers towards solutions."

He distinguishes between

Conway says it is possible to continually improve the productivity and quality performance of everyone in a firm on a monthly basis.

Conway's 6 tools for quality improvement

1. Human relations skills — the responsibility of management to create at every level, among all employees, the motivation and training to make the necessary improvements in the organization.

2. Statistical surveys — the gathering of data about customers (internal as well as external), employees, technology and equipment, to be used as a measure for future progress and to identify what needs to be done.

3. Simple statistical techniques — clear charts and diagrams that help identify problems, track work flow, gauge progress,

and indicate solutions.

4. Statistical process control — the statistical charting of a process, whether manufacturing or non-manufacturing, to help identify and reduce variation.

5. Imagineering — a key concept in problem solving, involves the visualization of a process, procedure, or operation with all waste eliminated.

6. Industrial engineering — common techniques of pacing, work simplification, methods analysis, plant layout and material handling to achieve improvements.

A • M • E • R • I • C • A • S

Quality Coaches

The quality coaches recognize that there are no short cuts to quality, and that the improvement process is a never-ending cycle.

simple and sophisticated statistical techniques, which he calls "tools." The simple statistical tools are run charts, flow charts, fishbone charts, Pareto charts, histograms, and correlation charts. Surveys of customers are one of the most important tools because they tell a firm what to work on. According to Conway, these simple techniques can be used to solve 85 percent of a company's problems, while more complicated statistical process control methods are needed only about 15 percent of the time.

Furthermore, Conway points out that once a process is in control, the people responsible for it become more creative in eliminating variations because they know that they are personally capable of improving the system. In fact, people at the bottom make the most improvement because they learn "how to be logical all the time." Conway says this also applies to R & D operations, and since the United States is still the world leader in creativity and innovation, he is optimistic about its future.

Conway says it is possible to continually improve the productivity and quality per-



Statistics don't solve problems. They identify where the problems are and point managers and workers towards solutions.

William E. Conway

formance of everyone in a firm on a monthly basis. "In less than one year, you ought to be able to perform miracles," he predicts. This miracle has already been performed by the Japanese, who have caused what Conway terms a "paradigm shift" in the way the world views quality. This shift is comparable to the discovery, centuries ago, that the earth was round.

In his talks, Conway does not dwell for long on purchasing or any other function because he believes his principles apply to all areas. Focusing efforts on one area is not sufficient to change the

management "system" of a company. He says, however, that the creation and implementation of the new system is intended to be customized for each department. In fact, it is not necessary to wait for someone at the top to start the change; they can be shown by example the "right way to manage."

Conway's call for constant improvement in all areas of operations is intended to include a company's suppliers, and here, too, the key to success is the use of statistics. "It is just as vital to achieve statistical control of quality from your vendors as it is to have it internally," he says.

Overspecification, another form of waste in Conway's view, is not solely the responsibility of engineers. Purchasing managers and anyone connected with the design of a product are also responsible. He warns that specifications — like work standards — sometimes "cap" improvements.

In addition to working closely with clients, Conway Quality also provides training materials and furnishes a three-month implementation plan for management, called the "Gold Plan," which is a step-by-step plan for improving quality and productivity.

For free reprints of this report write to:

DOW CHEMICAL USA
Inquiry and Distribution Services
1703 South Saginaw Road
Midland, Mich 48640

Quality Performance
Means More At Dow.

Name _____

Title _____

Company _____

Address _____

Phone Number _____



COMMENTARY

April 8, 1987

Is Good, Good Enough?

by Paul M. Pankratz, vice president and director of Operations
Dow Chemical U.S.A.

Paul Pankratz addressed a meeting of Technology Center Managers in Freeport in March. Following is a condensation of his speech.

Last year we had an outstanding year in the company. It was one we can all be proud of...one that we all participated in. We're on a roll, and we feel successful. Now, is that good enough? Well, I'd like to talk about that. Our management is looking to us in Operations today to "do the job"—and they're looking at us, I suggest, as they never have before.

Consider the pressure we have on product prices, growing opportunities to increase volume, increasing quality demands by all of our customers, uncertainty in feedstock costs, and strong competition—both domestic and overseas. Believe me, the challenge has simply never been greater for manufacturing than it is today. Well, I'm proud to tell you the manufacturing people are really measuring up. Let me enumerate some of our manufacturing accomplishments over the past year or so in the U.S. Area.

In terms of people, today we're producing about five percent more product, and we're doing it with nine percent fewer people in '86 than we had in '84.

Utilizing '84 as a base, we've reduced our maintenance costs in actual dollars by seven percent. And during that same period, we've increased our operating rates by four percent. Our plant reliability and onstream time have never been better.

Our safety performance is at an all-time high. '86 was second only to '85, and '85 was second

to nothing. We have learned to manage our operations so that, almost across the board, we have reduced risks associated with our chemical business.

We have significantly improved our product quality, and we've been awarded numerous quality awards by our customers. Last year in the U.S. Area, we did our job of converting raw materials to chemicals for \$150 million less than we needed in '85. And all of that went right to the bottom line. Now that's performance you have every reason to be proud of.

To pull that all off, we're reducing waste—largely by following the gospel of Bill Conway, also known as "Right Way To Manage". The concepts—imagineering, brainstorming, statistical analysis, training, and human relations—aren't hokey. They work. They're understood, and they pay dividends. And I'm proud of our people for the enthusiasm they've shown in learning and using them.

All that's pretty good for Dow and the stockholders. In my job, though, I have to keep asking: "Are we doing good enough?" Or, to coin a phrase—"Is good, good enough?"

If we're getting the kinds of improvements I just alluded to, it would seem that there aren't too many big savings left. But I need to tell you—we've just scratched the surface.

About three years ago, when we were evaluating programs for our company, we had

(over)

a discussion with Conway. As we sat together, he was telling me that in industry today there's 40 percent waste.

And I said to Conway: "I think this is a sound program, and I am convinced it will work in Dow. But if you're going to talk about it in Dow, you've gotta get off of this 40 percent waste routine. We don't have 40 percent waste," I said. "This program fits whether it's five percent, seven, nine or 11 percent. But it sure is not 40 percent. I'll buy the concepts based on a more reasonable number."

Later that evening, he said to me, "Paul, I understood your point earlier. But as you get into this thing, you're going to find that my 40 percent number is a lot closer to reality than your five or 11 percent. You know this improvement thing is just like an onion. You take off a layer, and you see the next one. You work off one set of problems, and you see others. And that thing just keeps unfolding."

In retrospect, I'm glad we didn't bet on it, because Conway may prove to be right. I don't know that it's 40 percent. But let me tell you, the opportunities for improvement ahead of us are just unlimited. The trick is really that technique of effectively "imagineering" where we can go, what we can be.

So how do we get at these imagineered goals? First, we need to stretch. What can we really visualize that we can do? How can we set high but meaningful standards for ourselves? How can we be visionaries, but also realistic?

Second, we really need to address this business of technological fundamentals—the fundamentals of mathematics, of physical science, of chemistry. We need to constantly push that which is theoretically possible—and look for new techniques to get us there.

The third thing we need to do is share ideas and techniques around the company, and build those teams. The ability to work together is the key here. NIH—Not Invented Here—is wasteful, and it's just plain dumb. The ability to share ideas, build on the other guys' concepts, and trade ideas is what it's all about. We need to use integrity in borrowing an idea—but go ahead and borrow it. I don't care if it was developed in Texas or Terneuzen; there's

no reason we can't also utilize the concept in Michigan or Canada.

Fourth, don't forget to use the "experts". Who are our experts? It's our network of plants, it's our network of skilled superintendents, it's our technical people, and then it's certainly our cadre of skilled operators.

And fifth, we need constant, unrelenting pressure to improve, and to be the best. We need to consider the fact that we're competing with our competition—we're competing in the economic world. But we've got to learn to compete with ourselves, too. Because, frankly, sometimes the "toughest" competition is our own previous performance.

I used to be a Big Eight football fan...and I was a big Bud Wilkinson fan. Now Bud Wilkinson was the premier coach of the Big-Red University of Oklahoma team in the era when I was in college. And Bud Wilkinson would come north and he'd whip Kansas by 40-50-60 points every time we played. And we used to ask him: "You beat us...why do you have to rub our nose in it?"

Wilkinson had a philosophy when he played football. He'd say, "There is no security in this kind of business—there's only opportunity. When I ease off, I get beat."

Let me tell you...the same thing is true in this business of making chemicals. There is no security. We need to continually look at the opportunity. The competition is always there.

Well, now that you've heard my challenges...does that sound like a tough job? You bet it does. But, I tip my hat to all of you. Because everywhere I go, I see change, and I see improvement. I see progress, and I see it in measurable ways. I find a lot of reasons to be proud that I'm part of your team. And your performance makes others in the company proud of the job that you're doing.

Let's keep our team spirit. Let's work smarter. Let's pay attention to the details. Let's set high goals and standards for ourselves. We have already "done good." But let's see just how "damn good" we can be!

Vol. 9, No. 16

February 24, 1988

Maher to head up Quality Performance function for Merrell Dow U.S.A.

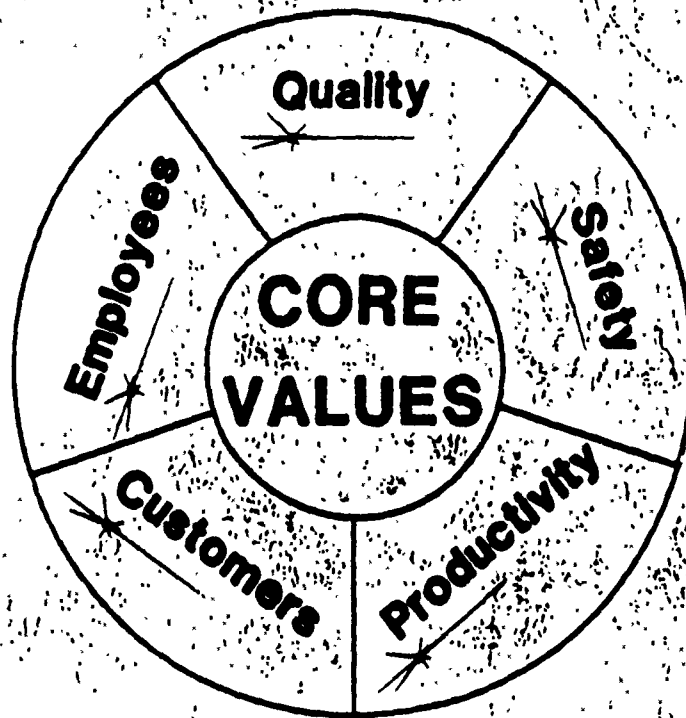
Daniel G. Maher, production superintendent, Liquids, in the Operations function at Reading, has been named to the newly created position of director, Quality Performance. Maher will report to Vaughn M. Kailian, president and general manager, Merrell Dow U.S.A. and will serve on the Merrell Dow U.S.A. Operating Board.

In commenting on the appointment, Kailian said: "I am totally dedicated to the achievement within Merrell Dow U.S.A. of a way of living and working which has as its hallmark the notion that everything we do can be done with a commitment to quality. Over the past seven years, the people of Merrell Dow have demonstrated their ability to learn how to work together safely. "Safety" has truly become a distinctive and appropriate adjective to use when talking about the character of our company. In just this same way we want Merrell Dow U.S.A. to become known as a quality company. "Quality" must become an integral consideration in the minds of Merrell Dow U.S.A. employees as they approach every aspect of their jobs. Whether it's in the manufacture of our products, or the services we provide for our customers, everything must be done in a way which says "this is our very best." Quality must permeate every activity - internal as well as external. In short, whenever we or anyone else looks at any aspect of Merrell Dow U.S.A., what they see should be evidence of work done by people who really care about what they are doing and who are doing their best.

Dan Maher's background in Engineering, Production, and Human Resources, plus his recent experience serving on the Lakeside Pharmaceuticals business team, has provided him with a wide exposure to the various functions within our business. In this new assignment we look to Dan to provide the leadership, creativity, and initiative necessary to develop programs and activities which will educate and motivate all of us of in Merrell Dow U.S.A. in every function and at all levels."

Maher joined the Company in 1972 and held various assignments in Engineering, and Production Planning and Inventory Control. In 1983 he was named Personnel Services Manager for the Operations and Quality Operations functions. He was named to his present post in 1986. Maher holds a B.S. degree in mechanical engineering from the Ohio State University.

1988 Monthly Planner.



OUR COMMITMENT
TO EXCELLENCE
AND QUALITY

1988

MONTHLY PLANNER

GMP



GLP

PRODUCT INTEGRITY

...Our Common Goal

...Our Common Responsibility

Compliments of:

Quality Operations

Designs by:

Sharon L. Ashbrock

PUBLICATIONS

QUALITY PERFORMANCE

DOW TODAY

THE POINT IS . . .

MERRELL DOW WORLDLINE

FOCUS

THIS WEEK AT MERRELL DOW

UP WITH LIFE

THE FORCE

MERRELL DOW PERSPECTIVES

THIS WEEK IN CUSTOMER SERVICE

THE CUSTOMER COMMUNICATOR

Merrell Dow

WE PLANNED. WE WORKED.

WE DID IT!

*Thanks a
Billion!*

Merrell Dow

November 23, 1987.

To Merrell Dow People Throughout the World.

On November 16th Merrell Dow Pharmaceuticals passed the billion dollar mark in sales for 1987. This is a first for Merrell Dow and a milestone truly worthy of celebration!

In 1982, we created our Global Strategic Plan. The purpose of the plan was to direct and guide the growth and development of Merrell Dow through to the end of this century. And indeed this Plan has proven to be a sturdy and valuable tool for gauging the success of our enterprise.

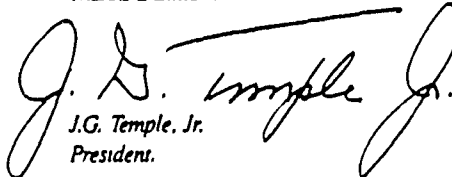
Our achievement of more than a billion dollars in annual sales - especially when combined with our improving level of profitability - is dramatic testimony to our dedication and hard work over the past six and a half years. Merrell Dow has made a very serious commitment to our parent - The Dow Chemical Company - to being among the top ten U.S.-based pharmaceutical companies by the end of 1993. Here is a challenge worthy of us all. There is much to be done, but we at Merrell Dow have already shown in our brief but exciting history that we have what it takes - a dedication to excellence and a will to achieve.

I hope you share this brochure with your family and friends. It is intended to provide an understanding of the breadth and diversity of your company as we celebrate our first billion dollar year.

Today, Merrell Dow employees are at work in Adelaide and Athens, in Strasbourg and Cincinnati, in Buenos Aires and Toronto, in Tokyo, Milan and Sao Paulo. We're busy in research laboratories, doctors' offices, and in plants and offices on five continents. We're a company with many faces to the public - Lepetit, Panai, Merrell, Dow, Lakeside, LIFE - as well as a company with a broad range of products serving the health care needs of people around the world.

Merrell Dow is not yet seven years old, but its roots go back to the earliest days of the pharmaceutical industry in both Europe and the United States. We are, in short, rich both in tradition and in vigor, in new research and existing products, in modern plants and laboratories, and most importantly, in people - the source of our present success and the assurance of our future.

Thanks a Billion!


J.G. Temple, Jr.
President.

New Merrell Dow U.S.A.

President sees accelerating growth

In the recent restructuring of MDPI in the United States, Merrell Dow U.S.A. and Lakeside Pharmaceuticals were created as two distinct organizations with separate missions and objectives. In this first of two FOCUS articles, Vaughn M. Kailian, president and

general manager of Merrell Dow U.S.A., is interviewed about Merrell Dow U.S.A. and about his own priorities for its future. William A. (Robbie) Robertson, president, Lakeside Pharmaceuticals, will be interviewed in the next issue of FOCUS.

FOCUS: Nineteen eighty-seven was a record year for Merrell Dow U.S.A. What are your thoughts about this achievement?

KAILIAN: Back in 1982, Joe Temple, Dave Sharrock, and the other top managers of Merrell Dow around the world created a fundamental strategic plan for the growth of MDPI. In the States the plan called for substantial investments in people and facilities and products and programs. In 1987 we began to see the payoff from these investments and from the very, very hard work of all the people involved in Merrell Dow U.S.A.

FOCUS: As the president of Merrell Dow U.S.A., where will you be concentrating your efforts?

KAILIAN: There are many important issues facing Merrell Dow U.S.A. but, for me, the top priority is "Quality Performance." I am not referring only to the quality of the products we make, but to the quality of EVERYTHING we do. Quality performance is critical in small ways as well as large: quality in the way we prepare memos and letters; in the way we answer the phone; quality performance in the processing of a customer's order as well as in warehousing our products and in preparing communications for our physician clients; quality in paying our bills as well as in billing; yes, even quality in producing each issue of FOCUS. The continued growth and future success of Merrell Dow U.S.A. hinges more on this factor than on any other single issue.

As you know, we've recently named Dan Maher to head up the newly created Quality Performance function. Dan's mission is to make "Quality" an essential theme of our life in Merrell Dow U.S.A. as "Safety" is today. When Dan's appointment was made I said: "I am totally dedicated to the achievement within Merrell Dow U.S.A. of a way of living and working which has as its hallmark the notion that everything we do can be done with a commitment to quality." I am very serious about this because I think it's so vital.

FOCUS: What else will you be working on?

KAILIAN: Government relations. We need to be more concerned about — and devote more resources to — our relations with the various governmental bodies who are involved with and regulate our business.



Vaughn Kailian, president and general manager, Merrell Dow U.S.A. "...for me, the top priority is Quality Performance."

Regulatory agencies obviously only reflect the laws and rules passed by the legislatures — at both state and federal levels. Our government affairs managers have done a fine job of keeping us in touch with legislative activities but we are going to have to be even more active in these areas because of the major impact they can and do have on our business. This is one of the reasons why we've asked Ted Catino to head up both our sales and public affairs functions. Keeping the two functions in "sync" will be very important as we deal with some of the key issues facing the pharmaceutical industry. And I, personally, expect to spend quite a bit of time in this area.

FOCUS: What about new products?

KAILIAN: There are a number of exciting new products on the horizon but our immediate attention is focused on the approval and launch of Seldane-D®. We are hopeful of having approval of the NDA on Seldane-D in time for a spring launch. I'm very bullish on Seldane-D. I think it will meet with enthusiastic acceptance in the medical community and, together with increased sales for Seldane®, will enable us to achieve our ambitious 1988 goals.

I'm also excited about new efforts we'll be making to get our message out on some of our other products. Lorelco®, for example, is a tremendously effective product. Physician acceptance of the need for cholesterol reduction has never been stronger and I think more and more Americans are becoming sensitized to their cholesterol levels. We've got some new competition in this area — but Lorelco is going to do very,

very well — I'm convinced of it.

FOCUS: What other short-term developments do you foresee for Merrell Dow U.S.A.?

KAILIAN: Well, as you know, we've recently started to build a new manufacturing facility for Seldane on the ground at the Reading site which used to be occupied by the Nutone facility. This is really just another step — although a big one — in the continuing series of changes and improvements we've made in the manufacturing and quality operations areas over the past several years. We've invested a tremendous amount of capital in new facilities and equipment, in selection and training, in process improvements and in productivity improvements. I expect this trend to continue for the foreseeable future.

In the field sales organization we're also in the midst of some major developments. Last year we engaged an outside consulting firm to work with us in performing a very thorough, detailed analysis of our products, sales force representation, and manpower deployment in the context of the geographic distribution of physicians in the U.S. who are actively prescribing products in the therapeutic categories of interest to Merrell Dow U.S.A. As a result of this study, we're increasing our territory representative and field management positions by more than 80. The outcome of all of this will lead to greater sales for Merrell Dow U.S.A. Each territory representative may well find that his or her geography has been reduced — but I'm confident they'll be equal to the challenge of at least maintaining their sales volume from their territory as before — both because of their increased ability to spend time in productive communications with physicians and because of the calibre of representative we have.

FOCUS: What about longer term? What are the prospects for Merrell Dow U.S.A. in 1993?

KAILIAN: Nothing succeeds like success. I've been very fortunate to inherit responsibility for Merrell Dow U.S.A. while it's "on a roll." Under Dave Sharrock's superb leadership, the development of Merrell Dow's business in the United States during the past several years has been one of the true success stories of the U.S. pharmaceu-

(continued on next page)

High Performance Team goal is continuous improvement

Outperforming the competition in the Olympic games or in business is a matter of continuing to improve — at a faster rate than your competitor. In the Operations area, that philosophy is being put into action by use of an Employee Development learning module called "Creating High Performance Teams." CHPT is a process for forming interdepartmental teams and facilitating their use in all phases of Operations functions.

The objectives of CHPT are to provide each participant with the skills needed to first create the team, then the techniques the team can use in problem solving, planning, and identifying opportunities. Included in the process is the establishment by the group of the team mission, identification of areas needing improvement, goal setting, and formulation of specific action steps to achieve the team's goals.

Particular emphasis is given to the eight known attributes of high performance teams: participative leadership, shared responsibility, unity of purpose, high level of communication, focusing on the task at hand and on the future, creative talents and rapid response. Going into the program, a baseline is established using these attributes. Annual reassessments of the team's progress against this baseline are made as the team proceeds through completion of its action plans.

Participant response to the program to date has been outstanding. The expected payoff for each individual are better use of



Creating High Performance Teams. The Materials Management group, above, completed the Creating High Performance Teams process in mid-February. The Engineering group was the first to complete the process, in late January, and the Production group is scheduled for mid-March.

time and energy, increased comfort in working in groups, increased communications, and shared ownership of performance results.

The CHPT program is considered one of the essential elements of Operation's employee development and continuous improvement quality programs. The module is being coordinated for Operations by Steve Dyer, Production Supervision, and Dr. Hal McCullough, Employee Development.

Commenting on the CHPT program, Warren Clark, director of Operations, said: "The Creating High Performance Teams effort is a major commitment by all of the Merrell Dow U.S.A. Operations teams. The three-day program has been a visible and key part of the quality performance effort in Operations and in my judgement is a major step forward in continuous efforts to improve our 'processes'."

New Merrell Dow U.S.A. President sees accelerating growth

(continued from page 7)

tical industry. We've got a great team of people at all levels and in all functions. And our track record shows we really know how to get the job done.

At the same time, I'm not naive. The U.S. market is intensely competitive. As the world's largest market it attracts all of the key players from Europe and Japan and we have to contend — effectively — with them as well as with the home grown variety. We absolutely cannot be complacent and rest on our laurels. We're going to face some tough times and some of today's players won't be visible in five years. We will be. Quality and

productivity will describe the character of those companies which survive and prosper and those are the traits which are beginning to flourish within Merrell Dow U.S.A. If you think about it, quality and productivity are exclusively related to people. It's not the machines and the equipment that make the difference, it's how they're used by the people involved. It's not so much whether our policies and procedures are "state of the art" as it is whether our people work smarter and more creatively than others. We've done a lot — and I intend that we'll do more — to upgrade the quality of our

people by continuing to raise our hiring standards and by providing more training and development experiences for the people we have on board.

The global goal for 1993 for MDPI is that we will be in the top ten U.S.-based companies in terms of the quality of our worldwide business. That goal can not be reached without the success of Merrell Dow U.S.A. That goal will be reached because of Merrell Dow U.S.A.'s performance.

FOCUS: Thank you.

APPENDIX E
GOOD SAMARITAN HOSPITAL
AND HEALTH CENTER DOCUMENTS

TABLE OF CONTENTS

ADMINISTRATIVE RESIDENCY SCHEDULE	1
MISSION STATEMENT	3
PHILOSOPHY/QUALITY/SERVICE STATEMENTS	4
ORGANIZATION CHARTS . . . . .	.20
COMMITTEES. . . . .	.22
EMPLOYEE APPRAISAL SYSTEM . . . . .	.26
EMPLOYEE ORIENTATION SYSTEM . . . . .	.34
EMPLOYEE HANDBOOK . . . . .	.37
EMPLOYEE RECOGNITION. . . . .	.43
EVALUATION FORMS. . . . .	.45
TRAINING. . . . .	.48
PUBLICATIONS. . . . .	.49
QUALITY STATEMENT . . . . .	.55

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
ADMINISTRATIVE RESIDENCY

WEEK 1

MONDAY Orientation

TUESDAY Quality Assurance Staff
 Quality Assurance Coordinator
 Risk Management Coordinator

WEDNESDAY Surgical QA Subcommittee

THURSDAY Executive Vice President and COO

WEEK 2

MONDAY Quality Assurance/Utilization Review
 Continuing Education

TUESDAY Quality Assurance Staff
 QA/UR

WEDNESDAY QA/UR
 Nursing Inservice on Nursing QA

THURSDAY Ethics Breakfast
 QA/UR
 Quality Assurance Council

FRIDAY Directors Meeting

WEEK 3

MONDAY HOLIDAY

TUESDAY Risk Management
 Nursing Services Quality Assurance

WEDNESDAY Surgery QA Subcommittee
 Risk Management

THURSDAY Infection Control

WEEK 4

MONDAY President/CEO
Vice President Human Relations
Vice President Marketing and Corporate
Planning

TUESDAY Strategic Planning
Personnel

WEDNESDAY Pharmacy Standards Committee
Employees Community Action Committee

THURSDAY Neonatal and Perinatal QA Committee
Vice President Medical Affairs
Infection Control Committee
Mission Effectiveness Committee

WEEK 5

TUESDAY Chief of Staff
Internal Medicine QA Subcommittee
Value Analysis Committee
Patient Care Committee

WEDNESDAY Hospital Quality Assurance Committee
Tissue Committee

WEEK 6

THURSDAY QA Council

WEEK 7

MONDAY Director of Quality Assurance

TUESDAY Staff Meeting

WEDNESDAY Vice President of Management Information
Systems
Vice President of Operations

THURSDAY Anesthesia QA Subcommittee
Surgical Mortality and Morbidity Meeting
Family Practice Residency Orientation
Mission Effectiveness Committee

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

STATEMENT OF PHILOSOPHY
"GOOD SAMARITAN'S COMMITMENT TO YOU"

Good Samaritan Hospital and Health Center of Dayton, Ohio, is a health care facility subscribing to the philosophy and policies of the Sisters of Charity of Cincinnati, Ohio. The relevance of the mission of Elizabeth Ann Seton, foundress of the Sisters of Charity, is mirrored by the hospital through programs which change to meet the needs of society and, as a subsidiary of Samaritan Health Resources, through membership in the Sisters of Charity Health Care Systems, Inc.

As a Catholic health facility we recognize that all people are created in the image of God and have a right to treatment with equal dignity. We carry out our mission of concern by caring for the whole person, responding to spiritual, psychological, familial and social, as well as physical needs.

We are committed to the mission of the Church--to communicate God's message through a community of service.

We are committed to the sacredness of human life, that each person has God-given rights from the moment of conception throughout life until death.

We are committed to providing service in accordance with the Judeo-Christian principles which recognize the innate worth and dignity of each person.

We are committed to the ministry of healing which utilizes a team approach to provide comprehensive and well coordinated services.

We are committed to delivering quality health care services to all people in the spirit of equality and ecumenism at a reasonable cost.

We are committed to the development of our human resources by offering personnel programs that contribute to the personal, professional, educational and financial well-being of our employees.

We are committed to active cooperation with other health care facilities and services in the community.

We are committed to the creation of a Christian community evidenced by a healing atmosphere of fellowship, peace, justice, kindness and understanding under the guidance of the Holy Spirit.

We are committed, as a member of Samaritan Health Resources, to the Sisters of Charity Health Care Systems, Inc., and to the value of a comprehensive system.

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

Page 107/2

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES

DIVISION: II
TITLE: ADMINISTRATION AND
GENERAL

SUBJECT: Communications Philosophy
EFFECTIVE DATE: April 15, 1985

It is the intent of Good Samaritan Hospital and Health Center to foster an atmosphere of positive and effective communications throughout the organizational structure. Patient care can only be maximized if employees at all levels are aware of and understand their responsibilities. Similarly, expectations about the way we communicate need to be delineated. The following statements represent our communications philosophy:

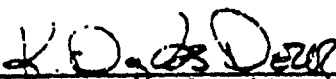
1. Encourage the continuous exchange of ideas and suggestions from all employees.
2. Encourage all management and supervisory personnel to appropriately recognize and praise the accomplishments of their employees.
3. Encourage crossing normal organizational lines to discuss relevant matters.
4. Encourage all employees and volunteers to serve as goodwill ambassadors to the community.
5. Encourage all employees and volunteers to communicate with each other and with our patients, families, visitors, and fellow staff in a respectful, open, humanistic, and caring manner.
6. Encourage a communication process which flows up, down, and laterally.
7. Encourage employees at all levels to actively listen to the ideas of others.
8. Encourage the use of various communication techniques and styles recognizing that different styles can be effective.
9. Encourage employees to understand the need for certain information to be confidential.
10. Encourage employees to understand that it is not always possible to react to every piece of information presented; but at the same time, make every effort to do so.

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

Page 107a/2

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES
DIVISION: II; SUBJECT: Communications Philosophy (concluded)

11. Encourage employees to understand their responsibility to seek out necessary information, as well as provide it.



Executive Vice President
& Chief Operating Officer
Date of Signature: June, 1985
Distribution: B, C, J
WPC

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

Page 108/3

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES


DIVISION: II
TITLE: ADMINISTRATION AND
GENERAL

SUBJECT: Hospitality Guidelines
EFFECTIVE DATE: March 1, 1985

Hospitality Guidelines, included in the following pages, provide the basis for explicit delineation of the behaviors expected of all staff members and volunteers. The hospitality concept is a visible response to the Good Samaritan Philosophy Statement (Page 106 of this Manual), and relates to the commitment of creating a Christian community evidenced by a healing atmosphere of fellowship, peace, justice, kindness, and understanding under the guidance of the Holy Spirit.

The Hospitality Guidelines are developed to raise the standards of hospitality extended by employees and volunteers to all guests of Good Samaritan Hospital and Health Center, including patients, visitors, physicians, coworkers, vendors, and clergy.

To ensure that the Hospitality Guidelines become internalized by all staff members and volunteers, each department director is responsible for identifying performance standards that relate to the guidelines. These standards will be incorporated in all position descriptions and will be utilized in the performance appraisal process.


Executive Vice President
& Chief Operating Officer
Date of Signature: March, 1985
Distribution: B, C, J
WPC

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES
DIVISION: II; SUBJECT: Hospitality Guidelines (continued)

HOSPITALITY GUIDELINES

1. A WARM WELCOME

Make eye contact . . . smile . . . introduce yourself . . . call people by name . . . extend a few words of concern to provide that personal touch.

2. DOES SOMEONE LOOK CONFUSED?

Take time . . . stop, ask questions, and try to help.

3. COURTESY

Let the patients and visitors go first. Be courteous in your verbal response with a generous use of "please" and "thank you." Identify yourself by name when caring for patients and in telephone communications.

4. EXPLAIN WHAT YOU ARE DOING

People are always less anxious when they know what is happening.

5. ANTICIPATE NEEDS

You often know what people want before they have to ask . . . ACT!

6. A TIMELY RESPONSE

When patients are worried or sick, and visitors are anxious, every minute is an hour. When a response needs to be delayed, explain why.

7. PRIVACY

It may be your hospital, but it's the patient's room. Knock as you enter, close the cubicle curtain, avoid undue embarrassment by providing appropriate garments and covering for patients.

8. HANDLE WITH CARE

Be gentle . . . imagine you are on the receiving end. Use caution when transporting patients on carts and elevators.

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES
DIVISION: II; SUBJECT: Hospitality Guidelines (concluded)

9. DIGNITY AND RESPECT

That patient could be your child, your spouse, your parent. Your words and tone should be considerate of patients and guests.

10. GO THE EXTRA STEP

If you don't know, find someone who does know.

11. LISTEN

If a person complains, identify the concern and take appropriate action.

12. TEAM EFFORT

Caring for one another enables us to care for patients. Each individual is important and touches the patient in some way.

13. QUIET . . . HOSPITAL

Noise annoys! A quiet atmosphere is a healthy atmosphere.

14. CONFIDENTIALITY

Patients trust that information about them is not discussed in public areas such as the cafeteria and in the elevator.

15. GOOD-WILL AMBASSADORS

You are part of the Good Samaritan tradition. Your appearance and behavior should reflect this pride.

SCHCS VALUES BROCHURES

Background and Usage:

The brochures are another format for expressing those Sisters of Charity principles and values that we expect to be integrated into operations, decisions and practices. These brochures are intended to be tools that members can use in their institutions to replace the Catholic Identity Criteria study and to evaluate mission implementation on an ongoing process.

The following Mission Assurance brochures address those core values expressed in the Sisters of Charity Sponsorship Principles and the Sisters of Charity Health Care Systems Relationship Principles.

Four of the Mission Assurance brochures are:

- Value of Personhood
- Value-Oriented Management
- Quality and Excellence
- Stewardship/Appropriate use and Development of Resources

The other Mission Assurance brochure is key to the evaluative process and the first Sponsorship Principle, i.e.:

An Evaluative Process for Philosophy and Mission Statements

The other values brochures and their descriptions are:

Relationship Principles - (Grey and maroon) This brochure contains those principles approved by the Governing Board in March. The guideline questions are to aid SCHCS corporate staff as well as member institutions when they open dialogue with other than Catholic entities to discuss possibilities of collaboration or types of relationships.

Ministry Value Priorities (Light and dark green) These are guideline questions identified by an SCHCS ethics subcommittee. They are intended to assist members at all levels of SCHCS to make ethical decisions in new ventures.

SCHCS Philosophy and Mission - (Brown copy) This is the revised and updated publication of the SCHCS philosophy and mission. (In the near future, we will have the Sponsorship Principles printed in a brochure.)

Acknowledgements:

The contents of the materials are from the following sources:

- SC Sponsorship Effectiveness Committee
- SCHCS Ethics Task Force
- SC Vice President of Mission Awareness
- SCHCS Vice President of Mission Effectiveness

MISSION

NOVARE SERVICES

The mission of Novare is to identify corporate growth opportunities that enable development of quality products and services that support and strengthen the SCHCS purpose.

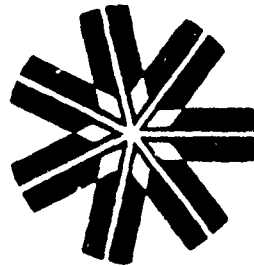
HEALTH CARE FOUNDATION

The purpose of the SCHC Foundation is to acquire and distribute funds toward efforts dealing with quality of life and health care issues affecting the needy, the unfortunate and the poor elderly.

MEMBER INSTITUTIONS

Good Samaritan Hospital - Cincinnati, Ohio
 Good Samaritan Hospital and Health Care Center - Dayton, Ohio
 Our Lady of the Way Hospital - Martin, Kentucky
 Penrose Hospital - Colorado Springs, Colorado
 St. Joseph Hospital - Albuquerque, New Mexico
 St. Joseph Hospital - Mount Clemens, Michigan
 St. Joseph Hospital & Manor - Florence, Colorado
 St. Mary-Corwin Hospital and Regional Medical and Health Center - Pueblo, Colorado

As member institutions we commit ourselves to be stewards of these values as an expression of the heritage and mission of the Sisters of Charity to continue the life and ministry of Jesus in service to others.



MISSION AND PHILOSOPHY

Sisters of Charity
Health Care Systems, Inc.

345 North Road • Cincinnati, Ohio 45238 • (513) 922-9775

MISSION

01

SISTERS OF CHARITY HEALTH CARE SYSTEMS (SCHCS)

The mission of SCHCS is to further the commitment of the Sisters of Charity to the healing ministry of the Church through a multi-institutional health care system which provides governance, leadership, management and consultation to member institutions/affiliated entities and diversified health care activities.

INSTITUTIONAL SERVICES

The mission of Institutional Services is to continue the healing ministry of Jesus through a comprehensive health care system which unites the efforts of the SCHCS member institutions with external organizations in providing quality care to restore health and fullness of life.

SCHCS Philosophy		SCHCS Commitment		SCHCS Demonstrates this Commitment by:		as Affirmed by The Pastoral Letter	
We Believe that all people are created in the image of God and have God given rights from the moment of conception until He claims them in death.		To respect individuals and their human dignity, both those serving and those being served.		our concern for those in need of healing and for those who do work of healing		"A strong sense of community and deep commitment to human dignity and basic human rights should be evident in a Christian Catholic health facility."	
We Believe the Catholic health care ministry is a valid expression of the healing mission of the Church today.		To witness Catholic and Christian values.		our Christian management practices and personalized patient care.		"We follow the example of Jesus when we carry out the work of healing--not only by providing care for the physically ill, but also by working to restore health and wholeness in all facets of person and community."	
We Believe in the right of each person to pursue adequate health care services.		To provide quality health care for all.		our confident update of services and our reaching out to needy persons requiring care.		"All those in the health apostolate who follow the example of Jesus will continue to serve the poor, the frail elderly, the powerless, and the alienated."	
We Believe in providing quality services and programs that contribute to the well being of the whole person.		To provide caring service for each individual.		educational and evaluative processes developed through the integration of the health, social, educational and pastoral services of our whole/holistic approach.		"Our hands must be the strong but gentle hands of Jesus reaching out in mercy and justice, touching individual persons."	
We Believe in our responsibility as advocates of health care rights to speak and respond to issues of justice.		To participate in shaping public policy.		making voices known through education and involvement.		"It is the Church's and Christians' role to call attention to the moral and religious dimensions of secular issues, to keep alive the values of the Gospel as a norm for social and political life."	
We Believe the healing mission of the Church incorporates a whole/holistic delivery system that contributes to the well being of all people regardless of age, race, creed, and socio-economic status.		To make health care available to all in need.		finding new ways to blend personal care and provide alternative forms of health care.		"Health care is so important for full human dignity and so necessary for the proper development of life that it is a fundamental right of every human being."	
We Believe in those values, principles and goals in the medical, moral teachings of the Church.		To support and protect life.		our promotion of Christian values that recognize the basic dignity of each person.		"The Ethical and Religious Directives for Catholic Health Facilities serve as firm standards to be followed in the protection of Catholic values and in the continuing affirmation of Catholic identity."	
We Believe professional excellence and competence should be pursued by all persons giving care.		To strive for competence in performance of services.		the opportunities we make available for personal and professional development.		"Catholic institutions are encouraged to provide education and training programs to instruct and inform their employees in the Catholic philosophy of care of the sick."	
We Believe professional excellence and competence are basic to all programs designed to enhance the delivery of health care.		To pursue excellence in all health care programs.		our careful scrutiny of all programs before adopting them.		"Catholic facilities share with others the need to continually improve the technical quality of their health care."	
We Believe in the stewardship and leadership responsibilities in maximizing use of resources and to develop new and better forms of service.		To develop alternative models of health care.		our research and integration of all dimensions of health.		"Catholic health care institutions will take greater responsibility for promoting basic Christian values... and finding new ways to blend personal care and technological skills in health care services."	
We Believe in the value of a comprehensive system which unites the efforts of member institutions/corporations.		To unite efforts and resources.		expressing and sharing values and beliefs in Christian service at all levels in the system.		"That the faith and goodness of all dedicated to the healing ministry be the light by which they lead - the light by which they live and work."	

PROCESS FOR WRITING THE ORGANIZATION'S MISSION STATEMENT AND PHILOSOPHY STATEMENT

1. The organization's CEO appoints a committee to evaluate the existing Mission and Philosophy Statements. The CEO is a member of that committee.
2. The Committee schedules regular meeting dates to review and evaluate the existing statements.
3. The Committee uses the SCHCS evaluative process as outlined in this pamphlet.
4. The Committee studies and analyzes the statements and makes revisions, if deemed necessary.
5. Upon completion of the Committee's proposed philosophy and mission statements, the CEO or designee presents the statements to the local board of trustees for approval, followed by presentation to the SCHCS Institutional Services Board.

(The SCHCS Mission Assurance Evaluative Process includes guidelines for evaluating Values of Personhood; Quality Service; Value-Oriented Management; Stewardship; and Mission and Philosophy. These guidelines are available through the SCHCS Office of Mission Effectiveness.)

COMMUNICATING MISSION AND PHILOSOPHY

Has our board of trustees officially adopted our Mission and Philosophy Statements? Who communicates it to new trustees?

What assurance is there that each individual in executive and management positions clearly understands the philosophy and its relationship to the sponsors?

Who is responsible for educating and informing these persons individually and as a group?

How is the philosophy and its meaning communicated to new employees? Who is responsible?

How often are all employees presented with an active, participative in-service process related to the philosophy? Who is responsible?

How is the philosophy publicized to patients, families and the community?

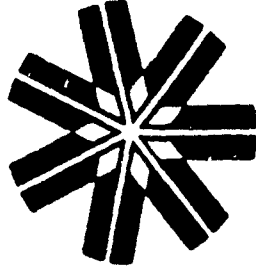
Describe the method and process used for evaluating the implementation of the statement of philosophy on:

- the local board
- the administrative level
- the management level
- the staff level
- patient care level

Define goals and objectives relative to the outcome of the discussion and analysis of communicating our mission and philosophy.

Published by SCHCS Office of Mission Effectiveness

3/86



MISSION ASSURANCE

12

An Evaluative Process for Philosophy and Mission Statements

Sisters of Charity
Health Care Systems, Inc.

345 N. Main Road • Cincinnati, Ohio 45238 • (513) 922-9775

MISSION AND PHILOSOPHY STATEMENTS

CHARACTERISTICS

Characteristics of an SCHCS Member Organization's
Mission Statement:

- expresses purpose
- articulates direction
- reflects the organization's value-based intentions consistent with SCHCS mission

Characteristics of an SCHCS Member Organization's
Philosophy Statement:

- professes those beliefs valued by the sponsoring group
- implies a viable commitment to the SCHCS mission and philosophy
- constitutes a values framework which influences and guides...
 - ...attitudes of individuals in the organization
 - ...policies and behavior
 - ...decisions made at all levels
 - ...strategic planning

Criteria for Evaluating an SCHCS Organization's
Mission and Philosophy Statements

MISSION STATEMENT

1. How does the Mission Statement express the purpose of the organization's existence?
2. How does the Mission Statement articulate viable direction? What does the organization see as its reason for existing?
3. How does the Mission Statement reflect the value-based intentions of the sponsors?
4. Does the Mission Statement provide directions and purpose for planning, growth and development?

PHILOSOPHY STATEMENT

1. Does the institution's philosophy address:
 - the linkage of the institution/corporation with the sponsoring group, the Sisters of Charity?
 - the commitment of the institution/corporation to the Ethical and Religious Directives for Catholic Health Facilities?
 - whom the institution/corporation serves?

2. Does the statement incorporate value statements related to:
 - Respect for all persons
 - Sacredness of life
 - Quality care
 - Justice
 - Value-oriented management
 - Wholistic care
 - Appropriate use and development of resources
 - Professional development of employees
 - Professional competence
 - Vision and growth

3. Does the Philosophy Statement communicate general beliefs, concepts and attitudes consistent with the S.C. sponsors and SCHCS that can be interpreted as a framework for establishing policy? making decisions? planning?

4. Is the statement written in idealistic statements that provide inspiration and vision?

5. Does the Philosophy Statement have a practical side? Can it promote action for continued viability, meaning and growth?

6. How can we make the statement a lived experience in our organization?

7. How does the mission and philosophy of each entity associated with the parent organization comply with the criteria presented in this outline?

INTERPRETATION AND GUIDELINES (Continued)

- What efforts are there to assure that the sponsors' values will continue to characterize and inform operations, as the number of Sisters decline?
- Have the laity in administration roles participated in any value-oriented education programs sponsored by CHA or another recognized sponsor of Judeo-Christian value-oriented programs?

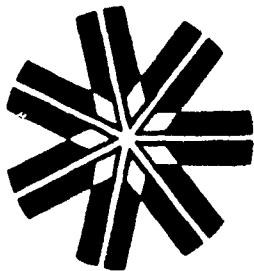
STEWARDSHIP/GOALS AND OBJECTIVES

- Which of the issues discussed and analyzed should we address to assure compliance with those values we profess?
- What recommendations can we propose to administration and management regarding those issues we have highlighted?
- How can we continue to develop a sense of co-responsibility for the mission among administration, management, employees, physicians and/or co-affiliates who work in our institution?
- Who is responsible for implementing the recommendations? Is there a time line?
- What is the monitoring process for implementation of recommendations? Does it include a mechanism of reporting back to the originating group?

Other SCHCS Publications — Department of Mission Effectiveness:

- Mission and Philosophy
- Institutional Ethics Committee Guidelines
- Pastoral Care Standards and Models
- Mission Assurance Evaluative Process for Quality and Excellence
- Mission Assurance Evaluative Process for Stewardship
- Mission Assurance Evaluative Process for Values of Personhood
- Mission Assurance Evaluative Process for Value-Oriented Management
- Ministry Value Priorities: Guidelines for Making Value Choices for New Ventures

Published by SCHCS Office of Mission Effectiveness 3/86



14

MISSION ASSURANCE

An Evaluative Process for Stewardship/Appropriate Use and Development of Resources

Sisters of Charity
Health Care Systems, Inc.
345 Nash Road • Cincinnati, Ohio 45238 • (513) 922-9775

SCHCS PROFESSED VALUES

STEWARDSHIP APPROPRIATE USE AND DEVELOPMENT OF RESOURCES

As stewards of both institution and ministry, SCHCS calls for responsible exercise of the financial, legal and moral duties inherent in institutional operations. Members of SCHCS exercise Christian stewardship through the appropriate use and accountability for the human, physical, spiritual and financial resources of the institution. Responsible stewardship requires ongoing evaluation by the institution of the following values.

VALUES: INTERPRETATION AND GUIDELINES

Legal Responsibilities

- Corporate Structure
- Regulations
- Risk Management

Financial Responsibilities

- Short- and Long-Range Plans
- Cost of Services
- Equitable Distribution of Resources

Moral Responsibilities

- Corporate Sense of Integrity
- Commitment to Values
- Necessity of Sisters of Charity Sponsorship

INTERPRETATION AND GUIDELINES (Continued)

Legal

- What is the corporate structure and how does it assure legal responsibility?
- What is your relationship to and compliance with professional codes and standards, e.g., JCAH, AMA; or your industry's accrediting body?
- What is the mechanism to safeguard against conflict of interest situations for either staff or board members?
- How does the health care institution comply with licensing requirements?
- Does the institution have appropriate coverage and staff for risk management?
- How are quality assurance programs implemented in this institution?

Financial

- What are the short-range and long-range financial plans of this institution?
- Does the institution have financial performance standards?
- Describe the cost containment process in your institution. Indicate the results of last fiscal year's efforts.
- Is there a periodic evaluation of the cost of services?
- How are resources used and allocated for the common good?
- What evidence is there of equitable distribution of money, personnel, equipment and space to meet professional standards?

- When was the most recent evaluation of:

- space utilization
- equipment
- personnel?

- What efforts have been made to implement utilization evaluation results?

Moral

- Does the annual institutional report give a stewardship accountability for the service, personnel and facility resources as well as the financial resources?
- In what ways does this institution receive input from persons being served regarding:

- cost of service
- quality of service
- wholistic care of person
- values expressed in institution?

57

- How does this institution evaluate:

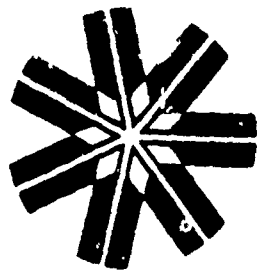
- service needs
- service availability through other institutions
- duplication of services?

- In the light of this evaluation what can be predicted for the future regarding:

- complete use of the present facilities
- continuing financial support
- need for this institution?

What are the moral expectations of the corporate person in this institution?

How does the board insure that the CIO carries out these expectations?



MISSION ASSURANCE

97

An Evaluative Process for Quality and Excellence

Sisters of Charity

Health Care Systems, Inc.

345 N. Main Road • Cincinnati, Ohio 45238 • (513) 922-9775

GOALS AND OBJECTIVES RELATIVE TO QUALITY AND OBJECTIVES

Which of the issues discussed and analyzed should we address to assure and/or improve compliance with our value of quality of staff? quality of service? evaluation and planning?

What recommendations can we propose to administration and management regarding the issues we have highlighted?

Who is responsible for implementing the recommendations? Is there a time line?

What is the monitoring process for implementation of recommendations? Does it include a mechanism of reporting back to the originating group?

(The SCHCS Mission Assurance Evaluative Process includes guidelines for evaluating: Values of Personhood; Quality Service; Value-Oriented Management; Stewardship; and Mission and Philosophy. These guidelines are available through the SCHCS Office of Mission Effectiveness.)

Published by SCHCS Office of Mission Effectiveness 3/86

Ongoing Evaluation and Institutional Planning

- ongoing monitoring of the scope and extent of services
- use and advancement of state-of-the-art practices
- short- and long-range planning

How does the organization deal with obsolescence of services? of programs and practices?

What processes exist for identifying and implementing appropriate innovations?

What criteria exists for determining the expansion, redirection or retrenchment of services?

What monitoring system is used to evaluate all corporate entities related to the parent corporation?

SCHCS PROFESSED VALUES

QUALITY AND EXCELLENCE

SCHCS and its members express a commitment to excellence in service and institutional performance that not only reflects but adds to the current state of the service. Commitment to institutional excellence requires:

- quality of staff
- quality of service
- institutional planning

SCHCS and its members are encouraged to maintain quality of service by monitoring these areas:

- professional quality and standards
- scope and extent of services
- ongoing evaluation of services

VALUES: INTERPRETATION AND GUIDELINES

Quality of Staff

- adequate credentials
- congruence with or support of values that flow from philosophy

How is medical staff credentialing, certifying and bylaw compliance identified?

How is nursing staff certifying, licensing and continuing education compliance identified?

How is support staff certifying, licensing and continuing education compliance identified?

What is the manpower planning being done within individual departments?

In what ways are the staff resources used to ensure maximum effectiveness?

Human Resources Planning (Maintenance of Quality)

What is the institution's plan for Human Resources development including recruitment, selection, orientation?

What is the institutional plan for continuing education?

How are employees encouraged to recognize and effectively integrate their personal and professional gifts and values?

Quality of Services

17

- accreditation programs
- comparison with similar institutions
- risk management
- evaluation follow-up

What is the historical plan for quality assurance?

How does the patient care committee function?

What ongoing evaluation plan exists to monitor the quality of service as perceived by those being served?

What ongoing evaluation plan exists to monitor the employees' attitudes toward the quality of service?

What monitoring system is in place to compare this institution's quality of service with similar institutions in the community?

How is the evaluation data used to improve quality of service or to correct deficiencies?

Is there evaluation of spare utilization? of equipment? of personnel?

GOALS AND OBJECTIVES RELATIVE TO VALUE-ORIENTED MANAGEMENT

Which of the issues discussed and analyzed should we address to assure compliance with those values we profess?

What recommendations can we propose to administration and management regarding those issues we have highlighted?

How can we continue to develop a sense of co-responsibility for the mission among administration, management, employees, physicians and/or co-affiliates who work in our institution?

Who is responsible for implementing the recommendations? Is there a time line?

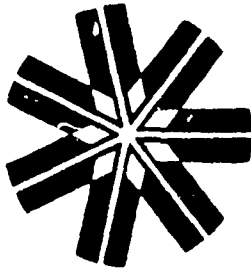
What is the monitoring process for implementation of recommendations? Does it include a mechanism of reporting back to the originating group?

(The SCHCS Mission Assurance Evaluative Process includes guidelines for evaluating Values of Personhood, Quality Service, Value Oriented Management, Stewardship, and Mission and Philosophy. These guidelines are available through the SCHCS Office of Mission Effectiveness.)

Other SCHCS Publications — Department of Mission Effectiveness:

- Mission and Philosophy
- Institutional Ethics Committee Guidelines
- Pastoral Care Standards and Models
- Mission Assurance Evaluative Process for Quality and Excellence
- Mission Assurance Evaluative Process for Stewardship
- Mission Assurance Evaluative Process for Values of Personhood
- Mission Assurance Evaluative Process for Value-Oriented Management
- Ministry Value Priorities: Guidelines for Making Value Choices for New Ventures

Published by SCHCS Office of Mission Effectiveness 386



MISSION ASSURANCE

An Evaluative Process

Value-Oriented Management

Sisters of Charity
Health Care Systems, Inc.

345 North Road • Cincinnati, Ohio 45238 • (513) 922-9775

SCHCS PROFESSED VALUES

VALUE-ORIENTED MANAGEMENT

SCHCS advocates the exercise of Christian management that nurtures the quality of both the work life and the workplace. Management practices are expected to further the works of justice by the development of a process and an environment that respects the rights of the persons serving and being served, and that encourages personnel development and co-responsibility for the mission of the institution

In exercising these works of justice, institutions are encouraged to develop these areas:

- a sense of Christian community among employees and management
- opportunities for employees/staff input regarding the institution's service and performance
- assurance of a workplace that is safe, healthy and conducive to employee morale

VALUES: INTERPRETATION AND GUIDELINES

Christian Community

- What efforts are made to develop a sense of Christian community among employees and management?
- How are the ideals, values, attitudes and goals expressed and communicated to assure our commitment to excellence?

Governance that is Motivated by Value-Oriented Beliefs and Mission

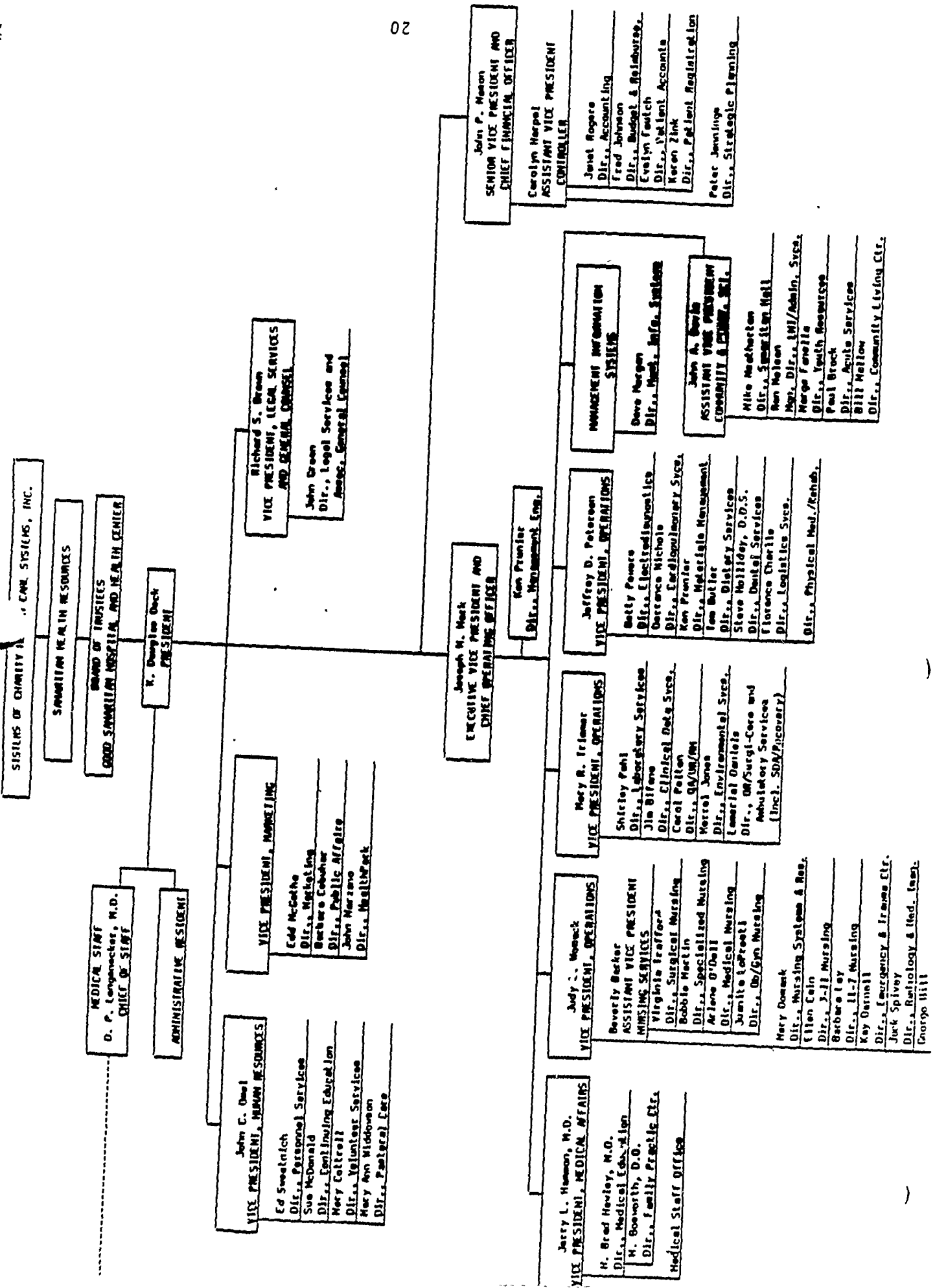
- What are the primary values that motivate governance in your decision making?
- What provisions are made for employee opportunities to contribute input regarding the institution's service and performance?
- What practices promote quality in the workplace for employees? in the environment for clients?
- What is the institution's grievance procedure? How are employees made aware of its existence? How frequently is it reviewed?

Quality Staff/Employee Performance

- What are the standards regarding:
 - compensation and benefits
 - minority hiring
 - performance appraisal
 - rewards and recognition
 - personnel development, promotion and transfer
 - personnel policies
- What monitoring mechanisms and evaluations exist for personnel performance and program assessment?
- How are personnel policies determined?
- What is the hospital's incentive/reward program?
- What is the institutional exit interview process?
- What have termination surveys shown?
- Does each employee have a job description and annual performance appraisal?
- What opportunities are provided for the professional development of employees at all levels?

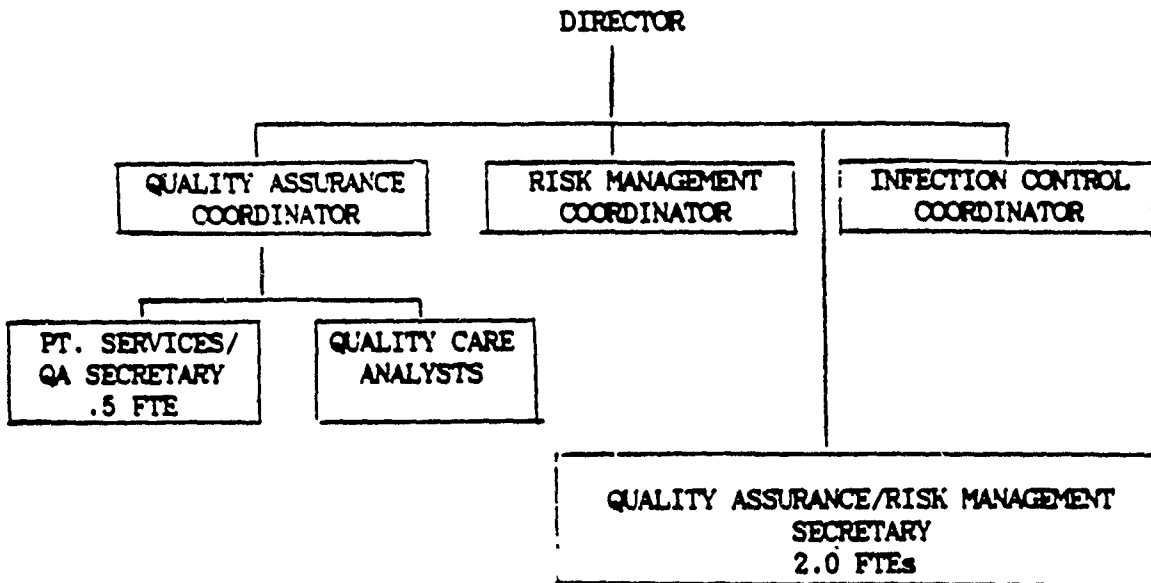
GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYD OUIDO

17.



GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

DEPARTMENT OF QUALITY ASSURANCE
ORGANIZATION STRUCTURE



Carol A. Pelton

Carol A. Pelton, Director
Quality Assurance

CAP/paw

HOSPITAL COMMITTEES:

Capital Equipment Committee

Wage & Salary Committee

Mission Effectiveness Committee

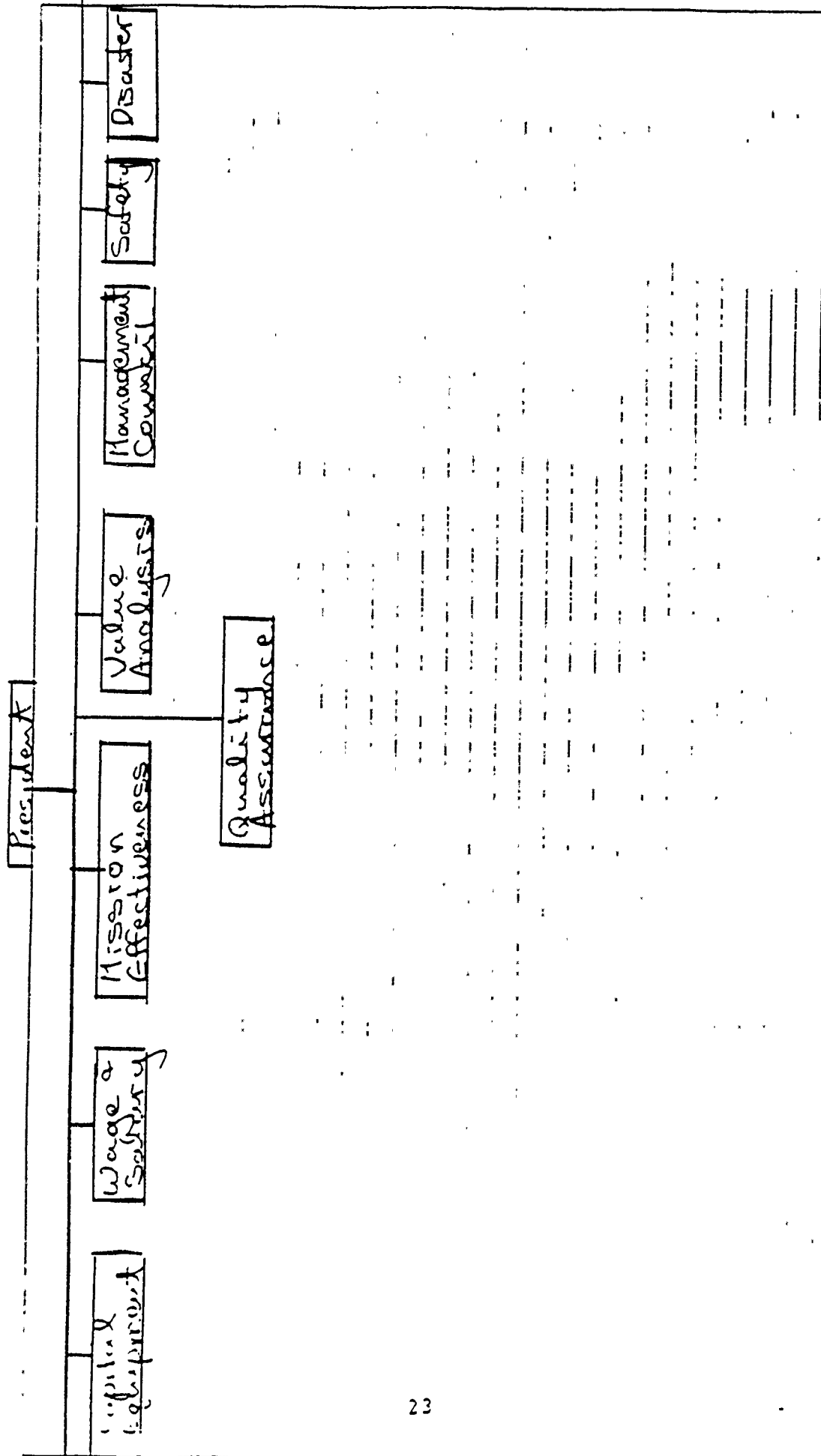
Value Analysis Committee

Management Council

Safety Committee

Disaster Committee

Hospital Committee Structure



MEDICAL STAFF COMMITTEES:

Medical Executive Committee

Ambulatory Care Committee

Bylaws Committee

Credentials Committee

Disaster Committee

ICU Committee

Infection Control Committee

Human Investigation & Research Committee

Medical Education & Resident Committee

Neonatal & Perinatal Review Committee

Oncology Committee

Patient Care Study & Review Committee

Pharmacy, Standards & Procedures Committee

Physician Nurse Liaison Committee

Professional Activities Committee

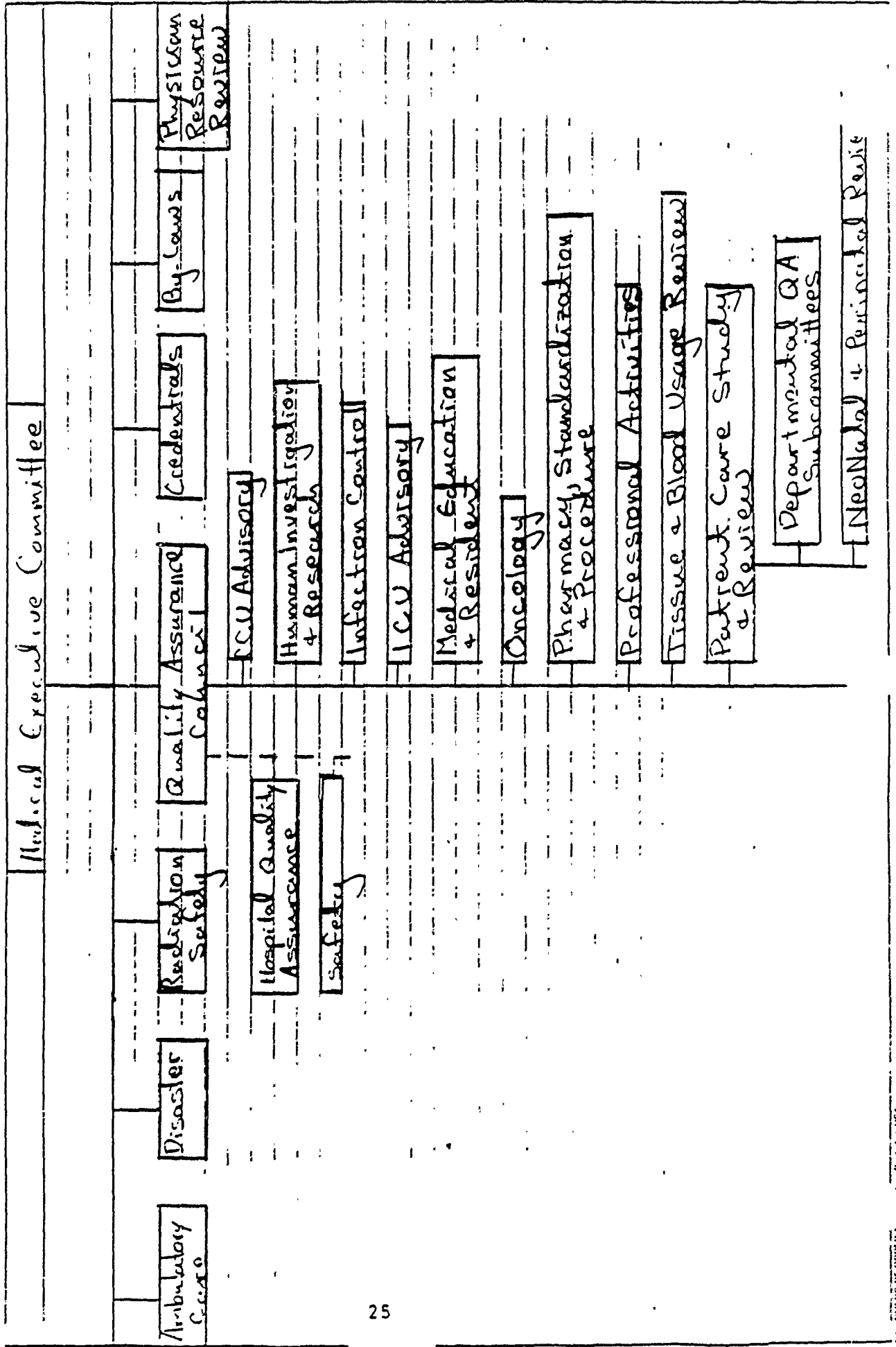
Quality Assurance Council

Radiation Safety Committee

Tissue & Blood Usage Committee

CCU Advisory Committee

Medical Staff Committee Structure



GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

Page 5520/3

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES

DIVISION: X
TITLE: PERSONNEL

SUBJECT: Procedure for Completion of the Employee Performance Appraisal
EFFECTIVE DATE: June 3, 1987

Original: 3/20/75
Revised: 8/01/80
Revised: 6/03/87

All employees of Good Samaritan Hospital will be appraised of their job performance at regular intervals.

A new employee will normally receive two Performance Appraisals at six-month intervals. Thereafter, the employee will be appraised on an annual basis.

Responsibility for the successful completion of the Employee Performance Appraisal Program rests on the supervisor. The procedure for completion of the Employee Performance Appraisal process should be closely followed for maximum usefulness.

1. Give the employee his/her Employee Self-Appraisal form. Request that the form be completed at a specified time and returned to the supervisor.
2. At the same time, schedule the appraisal interview with the employee to allow the employee the opportunity to prepare himself/herself for the appraisal. In scheduling, allow sufficient time for the interview, and plan for a private place to carry on the interview without interruption and in privacy.
3. Complete the Performance Appraisal. Complete the descriptive sections before marking the boxes indicating the degree of performance. Mark items 1 to 8 for supervisory positions and 1 to 7 for non-supervisory positions.
4. Review the appraisal with the person to whom you report administratively. Discuss the appraisal together and present your conclusions and recommendations. Then complete the Overall Performance Section, based on previous comments in all areas. Have your supervisor sign both the Self-Appraisal form and the Employee Appraisal form.
5. Obtain the employee's current salary from your supervisor and complete the Salary Recommendation, giving consideration to the overall level of performance and maximum rate of pay for the position and level of performance.

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

Page 5520a/3

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES

DIVISION: X; SUBJECT: Procedure for Completion of the Employee Performance Appraisal (Continued)

6. Plan what is to be accomplished during the appraisal interview with the employee. Review previous appraisals, if available, to gauge the improvement or decline in performance since the last appraisal.
7. Meet with the employee and discuss the purpose of the Performance Review. Review the Self-Appraisal form with the employee, incorporating any statements of the employee with which both of you agree onto the form that you complete.
8. Discuss the evaluation with the employee in a warm, interested manner, being honest and objective. Discuss the employee's good points first. Also discuss weak points, but suggest methods of improvement. To be of value, criticism must be constructive.
9. Encourage the employee to make suggestions or comments about the appraisal itself, hospital policies, procedures, or problems. Note any comments on the evaluation.
10. Review the Overall Performance Section with the employee. Logically present your reasoning behind your conclusions to the employee.
11. Complete the development discussion summary with the employee.
12. Review the Salary Recommendation with the employee, quoting the recommended new rate of pay and the effective date of any such merit increase. If no increase is warranted, tell the employee the date of the reevaluation.
13. Make every effort to arrive at a mutual agreement concerning the evaluation. If this is not possible, please indicate. Have the employee sign the evaluation and add any comments which the employee feels necessary.
14. Summarize the interview and the evaluation, and conclude it on a note of encouragement.
15. Sign the Employee Appraisal and return it to Personnel Services by the specified date. If, for some reason, this is not possible, please inform Personnel of this. Timeliness of information depends on an appraisal's

POSITION TITLE: _____

JOB CLASS _____

RESPONSIBLE TO: _____

DATE: _____

DEPARTMENT: _____

COST CENTER NUMBER _____

1. STANDARD:

Wgt.	Rating			Points
	E	M	DNM	

MEASUREMENT:

COMMENTS:

2. STANDARD:

Wgt.	Rating			Points
	E	M	DNM	

MEASUREMENT:

COMMENTS:

3. STANDARD:

Wgt.	Rating			Points
	E	M	DNM	

MEASUREMENT:

COMMENTS:

TOTAL WEIGHTING

TOTAL POINT VALUE

EMPLOYEE COMMENTS _____

Supervisor Signature

Date

Employee Signature

Date

DISTRIBUTION

301-400 Exceeds
200-300 Meets
0-199 Does Not Meet

PERFORMANCE LEVEL

4 - Exceeds
2 - Meets
0 - Does Not Meet

SCORE:

<u>STANDARD</u>	<u>LEVEL</u>		<u>WEIGHT</u>		<u>SCORE</u>
1	4	X	35	=	140
2	2	X	35	=	70
3	0	X	10	=	0
4	4	X	<u>20</u>	=	<u>80</u>
			100		290

290 Meets Expectations

GUIDELINES FOR WRITING STANDARDS

For this exercise identify only 3-4 essential aspects of each job. Employees would be terminated if they did not attain the outcomes specified in these standards.

- SPECIFIC
- Identify outcomes from a closely defined set of behaviors or duties.
ie: Pt. Accts. Cashier - Cash drawer balances within +/- \$100. vs. General ability to deal with the Public.
- MEASURABLE
- Outcomes must be quantifiable.
ie: Education Coordinator - will provide 1,700 - 2,000 training hours per year to meet standard. Measured by cumulative figures on monthly reports. vs. Provides to employees and volunteers educational programs.
- ATTAINABLE
- Outcomes must be attainable.
ie: Secretary - will respond to messages in a timely manner. 3-5 complaints meet standard. Measured by documented complaints. vs. Finished typed copy will be neat, well centered on page with no errors to meet standard. Measured by supervisory observation with examples.
- RESULTS ORIENTED
- Standards must be outcome rather than process oriented.
ie: Central Supply Tech. - Restocks twice daily nursing units so that no more than 1-2 outages of unit supplies are noted per week. Measured by report sheet, supervisor documents all exceptions vs. orders and manages stock of medical and office supplies.
- TIME LIMITED
- Standard should specify how outcomes will be measured over time.
ie: Laboratory Technician - Slide coverslipping is performed at a rate of one every 45-55 seconds. Measured by cumulative figures on weekly reports vs. Able to perform routine procedures and maintain sufficient knowledge to perform them accurately and efficiently.

Position Title: Education Consultant

Sample:

Responsible To: Director and Assistant Director

Department: Education and Training

Cost Center

Job Duty Number	D or P	Relative Weight %	Performance is Adequate on this Job Duty When:
1	D	25	<u>Training</u> Will provide 7760-8610 trainee hours per year to meet standard. <u>Measured by</u> - Cumulative figures on monthly reports
2	P	10	<u>Coordination</u> Pre-program checklist (on front of file) must be accomplished, dated and initialed by program deadline in 85-90% of all cases to meet standard. <u>Measured by</u> - Report sheet, supervisor documents all exceptions
3	P	5	<u>Design/Development Evaluations</u> Participant evaluation summaries for content either coordinated or instructed by Consultant will have an overall average of 4.2-4.4 on the existing 5.0 scale. <u>Measured by</u> - Evaluation Averages on monthly report
4	P	5	<u>Instruction (Speaker Evaluations)</u> Participant evaluation summaries for speakers either coordinated or instructed by Consultant will have an overall average of 3.8-4.4 on the existing 5.0 scale. <u>Measured by</u> - Evaluation Averages on monthly report
5	P	10	<u>Program Quality</u> Evaluations for the program as a whole will have an annual average of 4.38-4.53 on a 5.0 scale. <u>Measured by</u> - Evaluation Averages on monthly report
6	P	10	<u>Quality of Documentation</u> All CNA/Dept. documentation requirements as measured by CNA audit will meet with 93%-96% compliance. <u>Measured by</u> - CNA audit results, supervisor documents all results
7	P	5	<u>Budgets/Revenue</u> Revenues from non-employee category will average 15-20% above actual total costs for non-employees. Meaning that this category will have an annual average profit of 15-20%. <u>Measured by</u> - monthly reports
8	P	10	<u>Documentation (Timeliness)</u> Offering file folders will be complete, according to published departmental guidelines within 10 working days of a program date in 85-90% of all cases to meet standard. <u>Measured by</u> - Report sheet, supervisor documents all exceptions.

HRD/11-85

Position Title: Education Consultant

Job Complement #: 0202

Responsible To: Director and Assistant Director

Date: 11/18/85

Department: Education and Training

Cost Center #: 1952

Page: 2 of 2

Job Duty Number	D or P	Relative Weight %	Performance is Adequate on this Job Duty When:
9	P	5	<u>Customer Relations</u> Will attend 4-6 Staff meetings for other units/departments per year. <u>Measured by</u> - Documented unit/dept sign-in sheets which Consultant will get a copy and turn into Director
10	P	5	Will respond to messages in a timely manner. 3-5 complaints meet standard. <u>Measured by</u> - documented complaints
11	P	10	<u>Miscellaneous</u> <u>Office Business:</u> 2 points Distributing flyers, handling registrations, answering telephones, answering questions, etc. <u>Approved Committees:</u> 2 points Meets committee standards of "active membership" in all approved committees. <u>Reports:</u> 2 points Submits all reports without errors by deadline 80-90% of the time. <u>Special Projects:</u> 2 points Completes assigned projects by deadlines 80-90% of time.

7/11-85

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

Page 5501/2

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES

DIVISION: X
TITLE: PERSONNEL

SUBJECT: General Hospital Orientation Program for New Employees
EFFECTIVE DATE: January 1, 1987

Original: 4/12/71
Revised: 1/25/73
Revised: 8/21/80
Revised: 1/01/87

The Continuing Education Department conducts a General Hospital Orientation Program for all new employees.

The purpose of the program is to welcome the employee to the hospital and to introduce the employee to his/her rights and responsibilities as a member of the Good Samaritan family. The program introduces the employee to the history, structure, leaders, personnel policies, health policies, safety procedures, physical facilities of the hospital, and communicates the spirit of Touch.

1. The 8-hour General Hospital Orientation Program is conducted every Monday from 9 a.m. to 3 p.m., and on Tuesday from 8:30 a.m. to 10:45 a.m. If a holiday falls on Monday, the program will begin on Tuesday.
2. The objectives of the Orientation Program are for the employees to be able to:
 - a. verbalize the history and philosophy of Good Samaritan;
 - b. recognize the administration staff of Good Samaritan;
 - c. identify the organizational structure;
 - d. cite the expected guest relations behaviors of each employee;
 - e. use the Employee Manual to further knowledge of employee benefits and policies;
 - f. tour the hospital and note landmarks to make travel easier;
 - g. describe the security coverage of the hospital;
 - h. describe the hospital fire plan and employee responsibilities;
 - i. note the scope of employee health services;
 - j. cite the measures to control infection in a health care setting;
 - k. define his/her role in internal and external marketing of GSH.
3. Every employee must attend the Orientation Program when beginning employment in the department for which the employee was hired. The Personnel Services Department schedules new employees to attend the program.

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

Page 5501a/2

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES
DIVISION: X; SUBJECT: General Hospital Orientation Program for New
Employees (Concluded)

4. Each department director should answer any questions which the employee might ask about the Orientation Program and/or hospital policies and procedures, and assist the employee in locating the work area fire extinguishers, fire alarms, and exits. The fire and disaster plan, as it affects the work area, should be reviewed with the new employee. Employees assigned to nursing units should locate the oxygen turnoff valve.

The entire program is designed to enable the new employee to feel at home as soon as possible, and to apply his/her talents with the least degree of frustration, uncertainty, insecurity, and inconvenience to himself/herself and to others.

K. D. [Signature]
Executive Vice President &
Chief Operating Officer
Date of Signature: February, 1987
Update Responsibility: VP Human Resources
Distribution: B, C, G, J
WPC

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER

GENERAL HOSPITAL ORIENTATION

8:05 a.m.	Time and Attendance System	Video
8:15 a.m.	Photo ID Parking Passes "H" Stickers	Personnel/Security
9:15 a.m.	Personnel Forms Insurance Options	Carol Bouffieux
10:00 a.m.	Break	
10:10 a.m.	Introduction Organizational Structure	Continuing Education Staff
10:20 a.m.	Message from Administration	Management Council
10:30 a.m.	History and Philosophy of Good Samaritan Hospital	Slide/Tape
10:40 a.m.	Welcome from Sisters of Charity	Sr. Helen Groeber
10:45 a.m.	United Way Solicitation	Personnel/Continuing Education
11:00 am.	Hospital Fire Plan Hospital Security Communications System	Slide Tape
11:30 a.m.	Lunch/Tour	
1:00 p.m.	Employee Manual Assignment	Questions/Answers
2:00 p.m.	Hospitality Guidelines	Continuing Education
2:20 p.m.	Employee Health Service	Jeanne Kneisley, R.N.
2:35 p.m.	Infection Control In Hospital	Video
3:00 p.m.	Public Relations and You	Char Jones
3:15 p.m.	End	

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
SUPERVISOR REFERENCE GUIDE

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	
Purpose of Reference Guide	1
Policy Exceptions.	2
II. EMPLOYMENT POLICIES AND PROCEDURES	
Employment Procedure	3
Principles of Selection Interviewing	4-5
Examples of Questions to be Asked in Employment Interview	6-8
Employee Classification	
Full-Time, Part-Time, Temporary Status	9
Personnel Change Form.	10
Schedule of Processing Personnel Change Form	11-12
Sample - Personnel Change Form	13
Job Posting.	14
Promotion/Transfer Guidelines.	14-15
III. HOURS OF WORK AND YOUR PAY	
Wage and Salary Administration	16-17
Wage and Salary Committee.	16
Job Evaluation Process	17
Effect of Previous Employment Experience on New Employee's Rate of Pay.	18
Direct Deposit of Payroll.	19
Flexible Staffing.	20
Time Cards	21
Reading Top of Time Card	22
Employee Loss of Time Card	23
Definitions of Overtime Categories	
Non-Exempt, Exempt	24
Work Schedule, Start Time, and Clock In.	25
Failure to Clock Policy.	26
Sample - Failure to Clock Form	27
Salaried Employees - Time Cards.	28
Float Time	29
Time Card List Report.	30
Sample - Time Card List Report	31
Payroll Adjustment Checks.	32
Sample - Payroll Adjustment Checks	33
Shift Differential	34
Reporting Pay.	35
On Call Pay/Travel Pay	36
Reading Reverse Side of Time Card.	37
Legal Holidays/Holiday Add-On Pay.	38
Weekend/Holiday Add-On Pay	39
Minimum Pay.	40
Educational Leave.	41

Ninety (90) Day Employee Performance	
Appraisal - Sample Form. . . . .	.42
Employee Performance Appraisals - Sample Forms . .	43-44
1984 Schedule for Processing Employee	
Performance Appraisal.	44a-44b
Time Off . . . . .	.45

IV. YOUR SERVICE WITH GOOD SAMARITAN

Leave of Absence	46-47
Leave of Absence Code. . . . .	.48
Sample-Employee Separation and	
Leave of Absence Report.	49-52
Resignation of Employment. . . . .	.53
Sample - Employee Resignation Form . . . . .	.54
Sample - Employee's Final Clearance. . . . .	.55
Sample - Exit Interview Questionnaire.	56-57
Sample - Employee Separation and	
Leave of Absence Report. . . . .	.58
Voluntary Termination Codes.	59-60
Discharged Codes . . . . .	.61
Progressive Counseling/Discipline.	62-63
Example-Written Documentation of	
Verbal Counseling. . . . .	.64
Example-Written Reprimand. . . . .	.65
Example-Letter of Suspension . . . . .	.66
Example-Letter of Probation. . . . .	.67
Example-Letter of Termination. . . . .	.68
Article-"Attendance: Proper Management	
Creates Positive Results".	69-74
Attendance Policy.	75-76
Time and Attendance Report . . . . .	.77
Sample-Time and Attendance Report.	78-81
Conversion Chart to Determine Most	
Recent 13 Pay Periods.	82-83
Sample-Application of Time and Attendance Policy .	84-85
Property Pass and Package Inspection . . . . .	.86

V. YOUR EMPLOYEE BENEFITS

Paid Days Off.	87-89
PDO Request Form . . . . .	.90
PDO Buyback. . . . .	.91
Sick Pay . . . . .	.92
Funeral Leave. . . . .	.93
Hourly Employee Grievance Procedure. . . . .	.94
Sample-Hourly Employee Grievance Form.	95-96
Jury Duty/Witness Pay. . . . .	.97
Workers Compensation . . . . .	.98
National Guard Pay . . . . .	.99
Meal Period.	100
Break Privileges	101
Employee Assistance Program.	102
Continuing Education Department.	103

TABLE OF CONTENTS

I. INTRODUCTION

Page

Purpose of Employee Manual	1
Statement of Philosophy	2
Patients Rights and Responsibilities	3-4
Affirmative Action Plan	5
Equal Employment Opportunity	6
Sex Harassment	7
National Origin Discrimination	8
Organizational Chart	9
Historical Highlights	10
Services	11
Auxiliary and Volunteers	12
Your Career	13

II. EMPLOYMENT POLICIES AND PROCEDURES

Policy and Procedure	14
Full-Time/Part-Time Status	15
Probationary Period	17
Promotion and Transfer	17-18

III. HOURS OF WORK AND YOUR PAY

Job Evaluation	19
Pay Checks	20-21
Direct Deposit of Payroll	21
Flexible Staffing	22
Time Cards-Time Clocks	22-23
Overtime	23
Shift Differential	23-24
Reporting Pay	24
On-Call/Travel Pay	24-25
Weekend/Holiday Add-On Pay	25
Minimum Pay	25
In-House Continuing Education	25-26
Performance Appraisals/Merit Increases	26
Promotional/Salary Increases	27

IV. YOUR SERVICE WITH GOOD SAMARITAN

Employee Awards Dinner	28
Time-Off	29
Leave of Absence	29-31
Return to Work from Leave of Absence	31
Resignation	31-32
Attendance/Tardiness Policy	32-33
Attendance Bonus	33-34
Property Pass	34
Progressive Counseling/Discipline	34-37
Exit Interview	37

V. YOUR EMPLOYEE BENEFITS

Paid Days Off (PDO)	38-43
Blue Cross/Blue Shield/Major Medical	44-47
Western Ohio Health Care Plan	47-48
Dental Insurance	48-49
Sickness and Accident Insurance	49
Legal Holidays	50
Sick Pay	50
Funeral Leave	51
Jury Duty/Witness Pay	51
Life Insurance	52
Tuition Reimbursement	52-53
Workers Compensation	53
Tax Deferred Annuity	53-54
Coffee Breaks	54
Cafeteria	54
Employee Blood Donor Club	54
Meal Period	54
Gift Shop	55
Cooperative Action Committee	55
Grievance Procedure	55-56
Courtesy Discounts	56
Credit Union	57
Employee Health Office	57
Employee Assistance Program	58
Continuing Education	59
Personnel Services Department	59
Retirement Plan	59-71
Social Security	72

VI. YOUR RESPONSIBILITY TOWARD GOOD SAMARITAN

73-80

VII. HOW WE KEEP IN TOUCH

81-82

HOW WE KEEP IN TOUCH

We keep in touch with one another through various communication channels.

Several publications are produced on a regular basis to provide you with information about what your co-workers are doing in other parts of the hospital. Your contributions to and suggestions for publications are always welcome in the Public Relations Department.

Profiles is published weekly on Fridays. It provides news of changes and events taking place in the hospital that may pertain directly to you. Profiles is distributed throughout the hospital.

The newsletter **Horizons** is mailed to your home each month. It contains feature stories and photographs of the people who are part of Good Samaritan's family and involved in our services and activities.

Touch Hands is published four times a year. It is also mailed to your home. In its magazine format, it explores the health care programs provided by Good Samaritan, recognizes the people and organizations who contribute to furthering our goals, and describes new opportunities for meeting the health care needs of our community.

Our Bulletin Boards, located outside the cafeteria and vending machine areas, present interesting and helpful information. They contain many contributions from employees. You can arrange to have items of interest to all hospital personnel posted on the bulletin boards by providing written and printed material to the Public Relations Department.

Your Employee Manual. Your Employee Manual should be kept so that you may review various policies and benefits at your leisure. You will want to take the Manual to your home so that your family will know more about your job and your benefits at Good Samaritan.

Ask Your Supervisor. Your best source of information about your job is your supervisor. When you have a question, do not hesitate to ask your supervisor for the answer. Your supervisor will generally answer you at once. If he or she cannot do so, he or she will get information for you. It is part of their job. Your supervisor will cooperate with you at all times.

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

Page 5506/2

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES

DIVISION: X
TITLE: PERSONNEL

SUBJECT: Retirement and Employee Recognition
EFFECTIVE DATE: May 1, 1987

Original: 5/24/75
Revised: 5/01/81
Revised: 5/01/87

Retirement

At the time of retirement, the hospital will sponsor and the Personnel Services Department will be responsible for coordinating a special tea or coffee for both full-time and part-time employees who are retiring. For purposes of this policy a retiring employee is defined as either (a) an employee who is 55 years of age and has 15 years of service, or (b) an employee with 20 years of service, regardless of age. All hospital employees will be invited to attend. An appropriate personal gift from the hospital will be presented.

For those employees who are retiring and have not satisfied the above requirements, individual departments are encouraged to arrange a suitable tea to be held within the department.

It is the policy of Good Samaritan Hospital and Health Center to recognize both full-time and part-time employees for increasing years of continuous employment with the hospital.

Employee Recognition Dinner


1. In the spring of each year, an Employee Awards Banquet is held to recognize employees, both full-time and part-time, who complete five (5) years or increments of five (5) years of continuous service prior to March 31 of that year. Appropriate recognition gifts will be awarded.
2. Employees who complete more than twenty-five (25) years of service will be invited to the banquet each year thereafter.
3. Employees who are eligible to receive awards for twenty-five (25), thirty (30), thirty-five (35), etc., years of service will be permitted a guest at the banquet.

GOOD SAMARITAN HOSPITAL AND HEALTH CENTER
DAYTON, OHIO

Page 5506a/2

MANUAL OF ADMINISTRATIVE POLICIES, REGULATIONS, AND PROCEDURES
DIVISION: X; SUBJECT: Retirement and Employee Recognition
(Concluded)

Employees of the Month from the prior calendar year will be invited to attend the Employee Awards Banquet. The Employee of the Year will be announced from this group and receive special recognition.


Executive Vice President &
Chief Operating Officer
Date of Signature: June, 1987
Update Responsibility: VP Human Resources
Distribution: B, C, G, J
WPC

...CUSTOMER FOLLOW-UP REPORT

Section A

CALLER NAME _____ PHONE _____
 PATIENT NAME (if different) _____ DATE OF SERVICE ____/____/____
 ADDRESS _____ CITY _____ ZIP _____
 PATIENT # _____ SOURCE _____
 (YOUR DEPARTMENT)

PLEASE SUMMARIZE COMMENTS OF CUSTOMER (patient, guest, physician, etc.)

SIGNATURE _____

DATE ____/____/____

45

Section B

COMPLETE FOR HIS

- 1 DEPARTMENT INPATIENT
- (a) ICU
 - (b) CCU
 - (c) East 41 SDA
 - (d) East 42 Med/Surg
 - (e) 1700 Orthopedics
 - (f) 1800 Neurology
 - (g) 1900 Orthopedics
 - (h) 2100 Medical
 - (i) 2600 Medical
 - (j) 2900 Clinical
 - (k) 3700 Telemetry
 - (l) 3800 Telemetry
 - (m) 4700 Medical/Tele
 - (n) 4800 Medical
 - (o) 4900 Med/Diet
 - (p) 5300 Surg (Rms 5300-5323)
 - (q) 5300 Surg (Rms 5324-5341)
 - (r) 5500 Surg/Tele (Rms 5500-5523)
 - (s) 5500 Surg (Rms 5524-5541)
 - (t) 6300 ENT/Plast (Rms 6300-6323)
 - (u) 6300 Oncology (Rms 6324-6341)
 - (v) 6500 Urology (Rms 6500-6523)
 - (w) 6500 Gynecology (Rms 6524-6541)
 - (x) The Family Birthing Center
 - (y) Mental Health

OUTPATIENT

- (z) Clinic
- (aa) Referred Outpatient
- (ab) Surg Care
- (ac) Vogel Health Center
- (ad) West Dayton Health Ctr
- (ae) Physical Medicine
- (af) HealthPark
- (ag) Samaritan Hall
- (ah) Mental Health

2 EMERGENCY & TRAUMA CENTER

3 OTHER

2 ISSUE

- (a) Complaint
- (b) Compliment
- (c) Other _____

4 CATEGORY

- (a) Billing
- (b) Physician/Medical
- (c) Physician/Interpersonal
- (d) Nurses/Clinical
- (e) Nurses/Interpersonal
- (f) Other Staff/Clinical
- (g) Other Staff/Interpersonal
- (h) Environmental Facilities
- (i) Laundry
- (j) Other _____

Section C

PLEASE INDICATE DATE AND METHOD OF CUSTOMER FOLLOW-UP

☐ None Required OR Date: ____/____/____ METHOD: ☐ Phone ☐ Letter ☐ Personal Visit ☐ Other _____

PLEASE SUMMARIZE WHAT ACTION, IF ANY, WAS/IS TO BE TAKEN:

(* Note: side B is for instructions/routing/etc.)

Was the issue resolved to the customer's satisfaction?

☐ Yes ☐ No ☐ Other _____

SIGNATURE _____

DATE ____/____/____

INSTRUCTIONS:

1. Any employee responding to a complaint or complaint initiates this report by completing Sections A and B, and begins the routing as defined below.
2. The identified department director (from Section B #1) will ensure that follow-up occurs.
3. When follow-up is complete, the original form (with Section C now completed) will be forwarded to QA.

ROUTING:

Copy	Purpose
#3	Immediately sent to QA, then to MIS for coding and statistical summary of the information in Section B.
Original	To Director over area requiring follow-up; then forwarded back to QA when Section C has been completed.
#2	For Director's records.

SPECIAL QUALITY ASSURANCE/RISK MANAGEMENT GUIDELINES:

Situations in which a department director MUST consult with Quality Assurance or Risk Management PRIOR TO ACTION:

1. When there are threatened or apparent legal implications (e.g., verbal threat of lawsuit, patient or visitor injury, etc.).
2. When an "Incident Report" has been previously completed and the patient has re-contacted us.
3. When there is a high potential that an insurance claim will be filed for personal or property damage.
4. When the incident involves a member of the medical staff or an allied health professional.

The Good Samaritan Guarantee

Recently, you selected Good Samaritan Hospital and Health Center for your health needs. You are very important to us and so is your opinion.

Please take the next few minutes to let us know what we do well and what we can learn to do a little better. I guarantee that if you take the time to give us your feedback, we'll listen and we'll try to use it. Thank you again for using Good Samaritan.

Sincerely,

K. Douglas Deck
President and Chief Executive Officer
Good Samaritan Hospital and Health Center

Inpatient

1. Was this your first visit to Good Samaritan for inpatient services?	(1) Yes	(2) No	(3) Don't Know/Not Sure			
a. Was this your first visit to Good Samaritan for health care?	(1) Yes	(2) No	(3) Don't Know/Not Sure			
2. Considering your most recent visit to the hospital, how would you rate it on each of the following:	5 Very Good	4 Good	3 Average	2 Poor	1 Very Poor	0 Don't Know
a. Overall courtesy and friendliness of employees	5	4	3	2	1	0
b. Ease of registration and check in	5	4	3	2	1	0
c. Responsiveness of employees to your requests and needs	5	4	3	2	1	0
d. Explanation of treatments and procedures	5	4	3	2	1	0
e. Respect for privacy	5	4	3	2	1	0
f. Overall cleanliness of facility	5	4	3	2	1	0
g. Helpfulness and clarity of signs for directions	5	4	3	2	1	0
h. Promptness of nurses in responding to requests	5	4	3	2	1	0
i. Courtesy and friendliness of nurses	5	4	3	2	1	0
j. Courtesy and friendliness of physicians	5	4	3	2	1	0
k. Confidence in care received from nurses	5	4	3	2	1	0
l. Communication with your nurse concerning your plan of care	5	4	3	2	1	0
m. Satisfaction with your room	5	4	3	2	1	0
n. Satisfaction with noise level	5	4	3	2	1	0
o. Satisfaction with food	5	4	3	2	1	0
p. Level of comfort with your readiness to go home at discharge	5	4	3	2	1	0
q. Overall satisfaction with care	5	4	3	2	1	0
r. Overall satisfaction with service	5	4	3	2	1	0
3. If you needed additional health care, would you want to use a Good Samaritan service again?	(1) Yes	(2) No	(3) Don't Know/Not Sure			
4. In your opinion, what do we do very well? _____						
5. In your opinion, what should we improve? _____						
6. Can you recall any employee who made your visit for health care particularly pleasant. If so, please note his/her name and position. _____						

A member of the Samaritan Health Resources network

CONTINUING EDUCATION DEPARTMENT

The Continuing Education department offers numerous programs, courses, seminars, and workshops. Among its offerings are courses related to management development, as follows:

Management Issues Course	A three-day course periodically offered during the year as new supervisory personnel promoted and/or hired. Class held Tuesday, Wednesday and Thursday of a given week.
Motivational Dynamics I	A 13-week course, 2 hours per week.
Motivational Dynamics II	An eight-hour, four module course-one module scheduled per month.
Management Training Sessions	An on-going supervisory training program used as a follow-up to Basic Management and Motivational Dynamics.
Essentials: Hospital and Health Care Management	A three-session course, 2-1/2 hours each offered as a follow-up for the Basic Management or Team Leader Course for first line supervisors.
The Hospital Supervisor	A six-session course, 3 hours each session offered as a follow-up for <u>Essentials....</u>

Please contact the Continuing Education department for additional details.

WELCOME

We're happy you have chosen Good Samaritan Hospital and Health Center for your hospital stay. We're proud to be able to meet your needs with excellent medical and professional services, delivered in a pleasant and comfortable environment.

Your treatment, recovery and comfort are of utmost importance to us. This patient handbook will answer many of the questions you and your family may have about our services. We hope that you find it useful, and that your stay with us is pleasant. If you

have any questions ask your nursing staff or call our 24-hour Patient Action Line at ext. 1000. We are here to serve you.

Good Samaritan's Commitment to You

Good Samaritan Hospital and Health Center is a health care facility subscribing to the philosophy and policies of the Sisters of Charity of Cincinnati, Ohio. The mission of Sr. Elizabeth Ann Seton, foundress of the Sisters of Charity, continues today through programs which meet the needs of families in this modern and complex society.

As a Catholic hospital, we recognize that all people are created in the image of God and have a right to treatment with dignity. Our mission of concern is devoted to caring for the whole person — responding to the physical needs of our patients and their families, as well as to their spiritual, psychological, family and social concerns.

WE ARE COMMITTED to the mission of the church — to communicate God's message through a community of services.

WE ARE COMMITTED to the sacredness of human life, that each person has God-given rights from the moment of conception throughout life until death.

WE ARE COMMITTED to providing service in accordance with the Judeo-Christian principles which recognize the innate worth and dignity of each person.

WE ARE COMMITTED to the ministry of healing which utilizes a team approach to provide comprehensive and well-coordinated services.

WE ARE COMMITTED to delivering quality health care services to all people in the spirit of equality and ecumenism at a reasonable cost.

WE ARE COMMITTED to the development of our human resources by offering personnel programs that contribute to the personal, professional, educational and financial well-being of our employees.

WE ARE COMMITTED to active cooperation with other health care facilities and services in the community.

AND WE ARE COMMITTED to the creation of a Christian community evidenced by a healing atmosphere of fellowship, peace, justice, kindness and understanding under the guidance of the Holy Spirit.



Good Samaritan
Hospital and Health Center

2222 Philadelphia Drive
Dayton, Ohio 45406
(513) 278-2612

49

Much more than a hospital

good samaritan profiles

Published every two weeks for by and about the staff of Good Samaritan Hospital and Health Center in Dayton, Ohio
MAY 27, 1988

The Good Samaritan Touch

May Employee of the Month is a new father



It has been a busy May for Dean Mowen. First, he was honored as Employee of the Month. Then, he became a father for the first time. Dean and his wife Lisa, recently celebrated the birth of their first child, a baby boy, Wesley Dean was born in The Family Birthing Center® on May 14.

Dean has worked at Good Samaritan for four years. In his current position, in Environmental Services, he is one of the people that cleans the surgery rooms before and after operations. But that involves more than just making sure things shine. Cleaning up in surgery means eradicating germs and making sure the operating rooms are free from dust, dirt, stains, and impurities.

"Working together helps make the difference," says Dean. "In the Surgery Department we are all one big team and everyone is treated equally."

He attributes this team spirit to the fact that everyone is depended on to do their part to get an entire surgery completed. "I need to be in Surgery to help clean the rooms just like a nurse needs to be there to help the doctor, and a transporter needs to bring the patient."

Dean's Environmental Services partner in surgery is Jeanetta Smith.



"We work together," Dean adds. "Since you never know when a surgery will end, we always have to be ready."

May's EOM also values the satisfaction which comes with 'a job well done.' "I enjoy my work. It is a pleasure to know that I can come to work each day and be myself. After all, that is what I do best."

Away from work Dean says that he enjoys fishing and collecting aluminum cans. "Collecting cans is a unique hobby," Dean adds that his hobby was passed on from his father.

When May's EOM is asked for his definition of a Good Samaritan, he states, "Good Samaritans are employees that come in each day and put in an honest day's work. They are genuine in their actions and have a positive attitude."

Thanks to Dean and his new family for being part of the GSH family.

For Your Benefit

Tuition assistance

Effective July 1, improvements and changes will be made to the Tuition Assistance benefit. These revisions are as follows:

1. Direct billing arrangements with Sinclair, University of Dayton and Wright State University have been established. Other colleges are eligible for tuition assistance after completion of a course.

2. New Tuition Assistance forms will be available on July 1 to outline the procedure on Tuition Assistance.

3. Full-time employees are eligible to receive assistance up to \$70/quarter credit hour or \$105/semester credit hour. There will be an annual maximum of \$1,500/year (from July through June).

4. Part-time employees are eligible to receive assistance up to \$35/quarter credit hour or \$52.50/semester credit hour. The annual maximum benefit will be \$750/year (from July through June).

A full-time employee will receive tuition assistance for a maximum of six credits per semester or quarter.

A part-time employee will receive tuition assistance for a maximum of three credits per semester or quarter.

The new program will continue to provide an excellent level of Tuition Assistance benefits. The changes will allow employees to enroll in college with less start-up expense. Also, the maximum reimbursement will provide a means of establishing a hospital budget control while maintaining a popular benefit.

New employee health plan

The new health plan will be in effect July 1. Payroll deductions listed below are effective with June paychecks. All

health plan deductions will be processed from two (2) paychecks each month. Enrollment forms are available in Personnel Services. Forms will not be mailed to homes. Forms must be returned by June 1, 1988. Plan descriptions are available in Personnel. Enrollment forms will not be mailed to homes.

Total monthly premiums:

	Basic Plan	High Option
Single coverage	\$114.79/month	\$127.64/month
Family coverage	280.83/month	314.58/month
Employee payroll deductions:		
Single coverage/FT	\$ 17.22/month	\$ 30.08/month
Single coverage/PT	76.90/month	89.76/month
Family coverage/FT	70.22/month	103.92/month
Family coverage/PT	243.00/month	276.70/month

For full-time employees, the hospital pays 85 percent of the premium for a Single Basic Plan and 75 percent of the premium for a Family Basic Plan.

Self-funded health plan: Questions and answers

These questions and answers are designed to help you learn more about GSH's self-funded health insurance plan, a program which will start July 1. If you have other questions, contact Personnel Services, ext. 5225.

Q: Will deductibles already satisfied during the first half of 1988 be transferred to the new plan?

A: Yes, all deductibles will be transferred. You should attach the explanation of benefits form from the present carriers to the claim forms under the new plan.

Q: When will an employee who has enrolled for the Basic Plan be allowed to switch to the High Option, or vice versa?

A: There will be an annual open enrollment period in May of each year.

Q: How do I know that my family physician will accept this new plan?

A: We have every reason to expect that physicians will accept this new plan. Unlike other plans, the GSH Employee Health Care Plan will reimburse the physicians the "usual, customary and reasonable (UCR) charges" as defined by the Health Insurance Association of America. This UCR schedule reflects the average charges for physician services in the Dayton area. It is updated two times each year.

Q: Will my college-age children be eligible for coverage under the new plan?

A: Yes, the eligibility guidelines for dependent children will be the same under the new plan as it was under the former plans.

Q: Will a Medicare supplement plan be offered?

A: Self-funded health care plans do not typically provide this type of plan. Employees needing this type of coverage on a retired or disabled spouse will need to enroll in a family plan.

Retired employees are encouraged to obtain Medicare supplemental insurance through an outside party, such as the American Association of Retired Persons.

Q: Will there be a conversion plan for terminating or retiring employees?

A: Yes, there will be a conversion plan available for employee purchase.

Q: Will podiatrist services be covered in the new plan?

A: Yes, for surgical services only. This will be true for both the Basic Plan and the High Option.

Cont. on next page

Benefits . . . *Cont. from page 4*

Q: Will chiropractic services be covered in the new plan?

A: No, the services of chiropractors will not be covered.

Q: I have received psychiatric services during the first half of 1988. These benefits have an annual maximum attached to them. Will psychiatric benefits received from July 1, 1988 through Dec. 31, 1988 be added to the benefits received during the first half of the year?

A: The annual maximums for psychiatric or substance abuse services provided under the new plan will be available for the time period of July 1, 1988 through Dec. 31, 1988.

Q: Will the \$1 million lifetime benefit maximum start over as of July 1, 1988?

A: Yes, the lifetime benefit maximums will start as of services received on or after July 1, 1988. This is a better benefit, a bonus for starting the new plan.

Benefits updates, prizes, attract employees to fair

Eight hundred and forty-five employees attended the **Benefits Fair**, May 17 and 18, to find out more about the new **employee health plan**, improvements to the **retirement plan**, and the new **tuition assistance plan**.

Prize drawings were held. Winners of prizes donated by The Zahorik Company, the tax-sheltered annuity representatives, were Renee Evans, Pharmacy, pen and pencil set; Phyllis Jenkins, The Family Birthing Center®, clock radio; Joyce Saunders, Surgi-Care, dinner for two at the Barnsider, and Dale Hott,

Management Engineering, a \$50 gift certificate from Best.

Winners of \$25 gift certificates included: Elaine Pitsinger, Seron 4900 (from the Barnsider); Mark Groeber, Budget (Anticoli's); Paula Stibich, Blood Bank (Peasant Stock); Shirley Livingston, Payroll (Daniels Park Row); Estelle Qualls, Seton 3700 (L'Auberge); Tressa Goulding, Medical Education (Neils Heritage House); Bev Lavin, Respiratory Care (Annarino's); Janet Rogers, Accounting (5th Avenue); Betty Rudy, Respiratory Care (Mark Pi's); Tammy Stookey, Dietary (Jay's); Kristi Lawson, Patient Accounts (Legends), and Alice Tucker, Housekeeping (Suttmiller's).

Also, Elizabeth Porter, Accounting won eight hours of PDO, and Allie McJunkins, Housekeeping, won a \$200 gift certificate from Elder-Beerman.

Prizes may be picked up in Personnel Services.

Kings Island is site of Fun Days

"Employee Fun Days" will be held July 7, 8 and 9, at Kings Island. Each employee attending will receive one free admission ticket. Guest tickets are \$8.50/adult and \$3.50/child (ages 3 to 6). Tickets for other than immediate family members are \$11.00. Soft drinks and popcorn will be available from 11:30 a.m. to 1:30 p.m. in the Picnic Grove. There will be 4 1/2 hours of bingo each day. Door prizes will be awarded on Saturday, July 9 at 8:30 p.m. All employees are eligible to win. An informational flyer will be available at the racks outside Seron Cafeteria.

Profiles to honor graduates

Graduation . . . it's time to flip your tassels and toss your caps into the air.

Are you finishing a degree this spring? Do you have a son, daughter, spouse or other relative who will earn a college or high school diploma? Honor them with a tribute in *Profiles*.

Send the name of your graduate, their school, degree, your relationship to them, your name and department to Public Affairs, or call Mike at ext. 5225. Graduation announcements must be received by June 1. The GSH Honor Roll will be published in *Profiles* on June 10.

Blow out the candles: *Profiles* is one-year-old

Profiles turned one last month. We've been so busy we forgot to celebrate.

Although the publication is a year older and wiser, it has not lost its youthful enthusiasm. Our goal remains the same — to present news from GSH employees to GSH employees in an informative and entertaining fashion.

Please, don't send cake, cards or presents. There is no need to spoil a one-year-old. But do take this opportunity to let us know what you think of your employee publication. Send comments, suggestions and ideas to Public Affairs or call 5225 and ask for Mike. Thanks to you all for making our first year a great one.

Employees honored at annual banquet

The following employees were honored at the Employee Awards Banquet for completing 25 or more years of service:

Dietary

Iva Daniels, 33 years; Frances Davis, 32 years; Dorothy Favors, 27 years; Mary Hangen, 29 years; Dorothy Harris, 27 years; Shirley Jones, 26 years; Betty Pinet, 27 years; Johnnie Porter, 26 years; Nellie Stewart, 26 years; and Ophelia Thomas, 34 years.

Emergency and Trauma Center

Doris Benton, 27 years; and Corinne Engelhardt, 26 years.

Environmental Services

Ernest Ward, Jr., 36 years

Laboratory

Irene Gilleland, 26 years; Marie Shelton, 28 years; Mary Jo Sonderman, 39 years; Marcia Tucker, 27 years; and Dr. L. van der Hoeven, 26 years.

Materials Management

Jeanette Goodwin, 33 years; Juanita Manson, 34 years; and Frances Sims, 32 years.

Nursing Services

Mary Balazs, 29 years; Beverly Barker, 26 years; Mattie Davis, 27 years; Elizabeth Evans, 27 years; Ruth Gillenwater, 34 years; Dorothy Hamilton, 27 years; Jennie Hampton, 27 years; Melva Jenkins, 28 years; Carol Johnson, 26 years; Ruth Kinney, 27 years; Juanita LoPresti, 42 years; Josephine Lyttle, 28 years; Susie March, 27 years; Anna Newman, 28 years; Margaret Nyirati, 33 years; Elizabeth Olinger, 26 years; Betty Perdue, 32 years; Jeanne Rammel, 38 years; Evelyn Rigdon, 32 years; Martha Siegrist, 26 years; Parsy Strausburg, 28 years; Gladys Swanson, 32 years; and Judith Wise, 27 years.

Patient Accounts

Marion Schwamberger, 34 years

Patient Registration

Betty Dean, 28 years

Pharmacy

Catherine Hall, 32 years

Purchasing

Frank Bauer, 29 years

Radiology

Lillie Warford, 26 years



(From left) Doug Deck, president and CEO of Good Samaritan Hospital and Health Center, presents the Employee of the Year award to Rev. Dan Flory, Chaplain.



Strolling musicians, magicians, good food and conversation and special recognition for special people, helped to make the 1988 awards dinner a night to remember.

Profiles: news at deadline

On June 23. Earl and Clara Metzger, Volunteers, will celebrate 60 years of marriage. Happy Anniversary!!

Ruby Roberts, charge nurse, at Drew Health Center, has been accepted as a volunteer with the United Way, to serve a 3-year term as a member of the Planning and Allocations Divisions.

Many nursing fellowships and scholarships available for the 1988 school year. For more information contact Continuing Education, ext. 2500.

GO TO THE BEACH! Reduced admission tickets are available in Personnel Services for The Beach Water Park. Tickets are available for June 4-10 and July 23-29. The price is \$8.70, a \$3.25 savings.

Cholesterol Screenings are being offered at The Family Works®, on an ongoing basis, by appointment only. Call 854-0283 to schedule your screening.

Scott Bushbaum, son of Mary Jo Deas, Laboratory Administration, was named winner of a scholarship given by the Association for Information and Image Management. Scott won the scholarship for his essay entitled, "Micrographics, Technology and the Answer to Tomorrow."

Author! Author! — Mary Domask, RN, MS, director of Nursing Systems and Research, and Sue Childs, RN, nurse manager, recently published "Patient and nurse perceptions of analgesic administration times," in a recent issue of the *Journal of Nursing Quality Assurance*.

Diabetes update — A new tele-course entitled "Non-Insulin-Dependent Diabetes: ADA Guidelines for Management" is now available and may be borrowed from Shank Library. Significant new information about the diagnosis and management of this disease are presented.

The Physical Medicine supervisory staff staff says "thanks" to all employees who helped out during the recent transporter staff shortage. The shortage was caused by a combinations of employees injured and on leave. Special recognition goes to Howard Jelle, J.B. Lane, Ronnie Miliner, Ora Metcalf and Sarah Morgan.

"Changes in Pharmacy Drug Distribution Services," is the title of a program for nursing personnel to be delivered by George Hill, Pharmacy director. The program will be offered June 6 at 10 a.m., 2 p.m. and 10 p.m. in the 6 South Classroom; June 8 at 10 a.m., 2 p.m., 7 p.m. and 10 p.m. in the Seton 4 Classroom; June 10 at 10 a.m., 2 p.m., 7 p.m. and 10 p.m. in the 5 South Classroom, and June 12 at 6 p.m. and 8 p.m. in the Seton 2 Classroom.

Steak savings — GSH employees and their families are eligible for a 10 percent discount at Ponderosa, located at 3671 Salem Avenue. Just show your GSH identification badge to receive the discount anytime.

Nursing scholarships: Application forms are now available in Continuing Education for the following nursing scholarships — Sister Grace Marie Hiltz Memorial (two \$1,000 scholarships and a \$500 scholarship), Carolyn Leis Memorial (one \$500 scholarship), GSH School of Nursing Alumnae Scholarship. Brochures detailing application information are available in Seton Cafeteria. The application deadline is 9 a.m., July 7. For more information contact Continuing Education, ext. 2500.

Have a safe, relaxing Memorial Day.

In this area of QA, there are a lot of unknowns and some knowns. There is a confusing array of terms - standards, clinical standards, clinical indicators, quality of care, appropriateness of care, clinical efficacy studies - only to list a few. There are a whole host of groups decrying our inability or unwillingness to establish clinical standards and almost as many groups supporting our failure to establish them. The legal field is on both sides. The legislature on one and our peers on the opposite side. We, on a QA panel, are caught in the middle.

As we all will agree, much of medical practice is still an art and there are legitimate bases for practice style variations. We must do nothing that will stifle creativity and innovation in patient care and without already established standards, we do intuitively know that there are boundaries to acceptable care at both ends of a spectrum. But we must always guard against producing a medicine "cookbook".

When you read some of the JCAHO literature, we are really charged with several tasks :

1. To help in the long term goal of establishing these clinical standards via working with clinical indicators and protocols.
2. To help, also in the long term, to develop appropriateness of care standards.
3. To monitor now the care we are now providing our patients.
4. To recommend appropriate corrective action when ever we identify legitimate problems.

Thus, part of our task may be considered to be almost experimental in nature, since we are working in areas never before fully delineated. And the other part of our task may result in recommendations that require changes within the hospital or that have an even punitive aspect.

Because of these two sides to our task, we must always remain very impartial in our decision making.

Also, we have worked hard to establish a protocol that provides confidentiality to we physicians and to our patients, but if we deviate from fairness, balance, and impartiality, we jeopardize that confidentiality.

To this end, I point out that through the years here at GSH there have been specific problems with individual physicians and various intradepartmental problems. Right now there are problems in the Anesthesiology Dept., but next month, next year it could be Internal Medicine or Surgery. But if we continue to keep our deliberations fair and balanced - there will be no risk to the over all QA program, to the hospital, or to us as individual members of this committee.

The key word - FAIRNESS.

Questions?